

DRAFT

Horowhenua 
DISTRICT COUNCIL

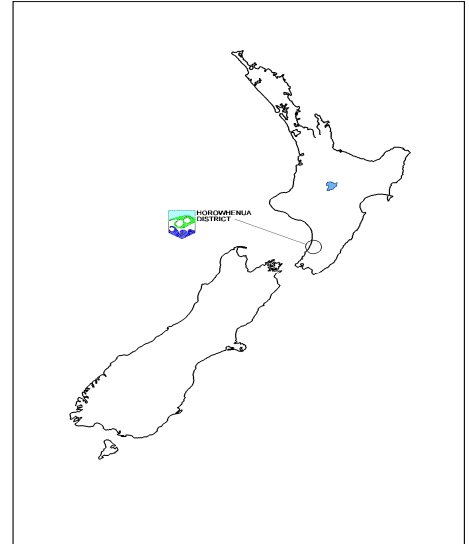
Annual Report

2018-2019



WELCOME TO HOROWHENUA

The Horowhenua District is located near the southern end of the North Island of New Zealand, 100km north of the capital city Wellington along State Highway 1 and the main trunk railway. The District has a population of 31,300 and an area of 1,064 square km. The climate provides 1,880 sunshine hours per year (22 degrees in summer and 17 degrees in winter) and an average annual rainfall of 1,120mm.



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SECTION A: SUMMARY

Section A sets the scene for the annual report by setting out some of the highlights of the year.

Introduction from the Elected Members and Chief Executive

The Elected Members and the Chief Executive, David Clapperton, highlight some of the big issues and review the year, commenting on the finances and achievements of the Council during the year.

Vision Statement

Horowhenua District Council
Vision Statement

**“Working together to take
Horowhenua
from good to great.”**

Introduction from the Elected Members and Chief Executive

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SECTION B: FINANCIAL STATEMENTS

Section B provides information on the financial outcomes for the year ended 30 June 2019.

Audit Report

This is a report from the Council's auditors outlining the scope of the audit and their audit opinion.

Statement of Compliance and Responsibility

Confirmation from senior Council officials that Council's systems comply with statutory requirements and that Council accepts responsibility for the information in the Annual Report.

Statement of Comprehensive Revenue and Expense

Effectively a profit and loss statement, this shows the summarised operating revenues and operating costs of the Council in 2018/19, and the operating surplus.

Statement of Movements in Ratepayers' Equity

This shows the sources of the movement in the net worth of the Council during 2018/19 (primarily the net surplus and changes to asset valuations).

Statement of Financial Position

Also known as the balance sheet, this shows the financial position of the Council as at 30 June 2019. It summarises what the Council owns (its assets) and what the Council owes (its liabilities). The equity of the Council is the difference between the two, and represents the net community ownership.

Statement of Cash Flows

This shows the source of the movements in and out of Council's cash and bank resources during 2018/19.

Funding Impact Statement

This shows the Council's operating and capital funding received and how it was applied during 2018/19.

Accounting Policies

These set out the accounting policies that the financial statements are based on, covering such matters as: when revenue is recognised, what depreciation rates are used and how assets are valued. These policies reflect generally accepted accounting practice.

Notes to the Accounts

The notes to the accounts are a series of notes that are referred to in the main body of the financial statements. The notes give further details on the numbers given in the accounts. The importance of these numbers should not be underestimated.

Audit Report

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Statement of Compliance

Horowhenua District Council hereby confirms that all statutory requirements relating to the annual report, as outlined in the Local Government Act 2002, have been complied with.

Michael Feyen
District Mayor
2 October 2019

A handwritten signature in black ink that reads "DM Clapperton". The signature is written in a cursive style with a period at the end.

David Clapperton
Chief Executive
2 October 2019

Statement of Comprehensive Revenue and Expense

HOROWHENUA DISTRICT COUNCIL
FOR THE YEAR ENDED 30 JUNE 2019

	Note	Council Actual \$ 30 June 2019 \$000	Council Budget \$ 30 June 2019 \$000	Council Actual \$ 30 June 2018 \$000	Group Actual \$ 30 June 2019 \$000	Group Actual \$ 30 June 2018 \$000
Revenue						
Rates	1	38,562	38,362	36,381	38,562	36,381
Finance revenue	2a	423	205	161	435	174
Grants and subsidies	2b	5,524	6,360	6,325	5,524	6,325
Fees and charges	2c	5,470	5,664	5,601	5,470	5,601
Other revenue	2d	3,521	3,660	3,207	3,521	3,207
Vested assets	2e	453	-	203	453	203
Development contributions	2f	-	-	197	-	197
Gain on derivative financial instruments	19	-	-	-	-	-
Other gains	3	56	120	356	56	356
Total revenue		54,009	54,371	52,431	54,021	52,444
Expenditure						
Employee benefit expenses	4	14,661	13,975	13,369	14,661	13,369
	11,12					
Depreciation and amortisation	34	14,350	13,489	13,860	14,350	13,860
Finance costs	6	3,607	3,800	3,291	3,607	3,291
Loss on derivative financial instruments	19	975	-	184	975	184
Other losses	3	220	-	2,262	220	2,262
Increase / (decrease) in landfill provision	16	2,703	-	142	2,703	142
Other expenses	5	24,541	21,452	21,473	24,555	21,482
Total expenses		61,057	52,716	54,581	61,071	54,590
Operating surplus / (deficit) before tax		(7,048)	1,655	(2,150)	(7,050)	(2,146)
Income tax expense	37	-	-	-	-	-
Operating surplus / (deficit) after tax		(7,048)	1,655	(2,150)	(7,050)	(2,146)
Write back of revaluation losses on land and buildings		-	-	-	-	-
Surplus / (deficit) attributable to: Horowhenua District Council		(7,048)	1,655	(2,150)	(7,050)	(2,146)
Other comprehensive revenue and expense						
Gain / (loss) on infrastructural assets revaluations		1,076	9,353	7,713	1,076	7,713
Gain / (loss) on operational assets revaluation		-	-	60	-	60
Gain / (loss) on restricted assets revaluation		-	-	19	-	19
Total other comprehensive revenue and expense for the year		1,076	9,353	7,792	1,076	7,792
Total comprehensive revenue and expense (deficit) for the year		(5,972)	11,008	5,642	(5,974)	5,646
Total comprehensive revenue and expense attributable to Horowhenua District Council		(5,972)	11,008	5,642	(5,974)	5,646
Interest as percentage of operating revenue		7%	7%	6%	7%	6%
Interest to rates		9%	10%	9%	9%	9%

Explanations of major variances against budget are provided on page 11

The financial statements should be read in conjunction with the statement of accounting policies and the notes to the accounts.

Explanations of significant variances between the Council's actual results and the Council's budget for 2018/19

Revenue

Grants and Subsidies unfavourable variance of \$836k

- Roothing subsidies capital expenditure are lower by \$1.54m from the budget prediction resulting from lower than capital expenditure. Council has postponed certain projects until the new financial year.

The projects are:

- Poads Road Bridge Replacement – This will be incorporated into the Gladstone Road realignment project to get better value for money. \$408k
- The Queen St Cambridge St Roundabout – The water main's new pressure reducing valve at this location needs to be installed first before the project can proceed. It is getting later into the construction season and Council does not want it to run into winter. \$376k
- Road improvements for O2NL due to delays in progressing the expressway \$450k,
- Rail Crossings due to NZ Rail delays in designs \$487k.

The lower Capital subsidy is off-set by;

- Higher subsidy revenue on operational Roothing expenditure \$185k
- Higher than budgeted capital subsidies for wastewater \$370k

Expenditure

Employee Benefit expenses – unfavourable variance of \$833k

This relates primarily to salaries and wage increases to recruit and retain staff in an environment of skill shortages. Also Council needed to plan for the anticipated growth while still delivering the traditional levels of service in an increasingly complex environment with added compliance and regulatory impositions. Levels of service have also increase, for example Te Awahou Nieuwe Stroom.

Depreciation – unfavourable variance of \$861k

- Under budgeted depreciation for Infrastructural Assets due to revaluation changes \$316k
- Te Awahou Nieuwe Stroom – new development depreciation \$299k
- All other operational assets underestimated depreciation on new assets \$246k

Depreciation is a non-cash expenditure recognising to loss of service potential, over time, of assets.

Other Expenses

Professional services – unfavourable variance \$1.93m

- \$349k timing difference relating to Economic Development. Because this activity is out-sourced and the contract costs are coded to Professional Services it inflates the variance in Professional Services. The true year end increase costs over the whole activity is \$113k
- Growth response projects totalling \$809k – Unbudgeted

Growth Response projects	
00009161 - Gladstone Green Master Plan	232,670
00009162 - The Lakes Foxton Beach Master Plan	40,395
00009163 - Forest Road Waitarere Master Plan	42,616
00009165 - O2NL Planning	69,674
00009166 - Growth Strategy	119,812
00009168 - Levin Town Centre Planning	24,135
00009179 - H2040	111,088
00009190 - Foxton River Loop	92,200
00009191 - MAVTech Upgrade	25,650
00009196 - Project lift	15,000
00009205 -Horowhenua Water Party	13,696
00009219 - Community Plans	17,403
00009231 – House Building Planning	5,000
Total	809,339

- These projects are vital to Council's vision of being prepared for the growth that is being and will be experienced. Some of the costs may be recoverable from NZTA in the future while others will be funded from loan funding to reflect the fact that the benefit from this planning work is intergenerational
- Solid Waste consultancy over the strategic direction and new operational contract for refuse/recycling collection and Council owned Waste Transfer stations \$305k

Maintenance – Unfavourable variance of \$878k

Solid waste - Unfavourable Variance of \$775k.

The material changes to the international recycling market meant that Council had to reconfigure its service delivery arrangements for Solid Waste and in particular the recycling service. Whilst it was clear that recycling was going to become more expensive a clear direction was received that the community had an expectation that service levels in this activity were not to reduce, in fact that a higher level of service were desirable. Changes to the recycling contract have resulted in unbudgeted for expenditure in the 2018/19 financial year.

Three Waters maintenance – unfavourable variance of \$181k

This service is now delivered from the Horowhenua Alliance, a joint venture between the Council and Downers. The new arrangement was about delivering a joined up service to improve the levels of service for the district 3 waters infrastructure.(Water, Wastewater and Stormwater) which has cost slightly more than was budgeted for.

Loss on derivatives – unbudgeted loss of \$975k

This is a non-cash loss that, again due to accounting standards, must be reported as contributing to Council's year end result. Council entered a number of interest rate hedging (protection) arrangements some time ago when interest rates were expected to remain relatively high, if not increase. No one at that time could have predicted that the historical low interest rates of recent years would prevail. As a result accounting standards require Council to recognise the loss on these arrangements as an expense throughout the year. In layman terms this is a 'paper transaction' that contributes to the year end result and it does not impact on Council's cash position.

Landfill aftercare provision increase of \$2.7m

This has arisen from the yearly recalculation of this provision. As a provision it does not represent a cash loss. It represents the future costs of the landfill as it was at balance date (i.e. assuming no extra cells or capacity is created) through to the current expected closure date of 2032 and the ongoing post closure costs through to 2062. This significant increase in the future costs has come about through changes to the consent conditions and the costs of monitoring these new conditions over the years until the finish of the aftercare period of 30 years 2062

Statement of Changes in Ratepayers' Equity

HOROWHENUA DISTRICT COUNCIL
FOR THE YEAR ENDED 30 JUNE 2019

	Council Actual \$ 30 June 2019 \$000	Council Budget \$ 30 June 2019 \$000	Council Actual \$ 30 June 2018 \$000	Group Actual \$ 30 June 2019 \$000	Group Actual \$ 30 June 2018 \$000
Balance at 1 July	467,186	467,026	461,544	467,557	461,911
Total comprehensive revenue and expense for the year	(5,972)	11,008	5,642	(5,974)	5,646
Balance at 30 June	461,214	478,034	467,186	461,583	467,557

Explanations of major variances against budget are provided on page 15

The financial statements should be read in conjunction with the statement of accounting policies and the notes to the accounts.

Statement of Financial Position

HOROWHENUA DISTRICT COUNCIL
AS AT 30 June 2019

		Council Actual \$ 30 June 2019 \$000	Council Budget \$ 30 June 2019 \$000	Council Actual \$ 30 June 2018 \$000	Group Actual \$ 30 June 2019 \$000	Group Actual \$ 30 June 2018 \$000
	Note					
Assets						
Current assets						
Cash and cash equivalents	7	8,481	11,024	960	8,499	971
Debtors and other receivables	8	5,947	5,797	5,567	5,947	5,567
Other financial assets	9	375	375	5,375	375	5,375
Non-current assets held for sale	10	5,937	-	542	5,937	542
Total current assets		20,740	17,196	12,444	20,758	12,455
Non-current assets						
Plant, property and equipment						
- Operational assets	11	54,538	53,713	54,281	54,538	54,281
- Infrastructural assets	11	450,521	462,103	441,611	450,521	441,611
- Restricted assets	11	46,001	48,951	45,146	46,001	45,146
Intangible assets	12	1,527	1,784	1,756	1,527	1,756
Forestry assets	13	942	1,575	1,108	942	1,108
Commercial property	14	-	-	5,879	-	5,879
Other financial assets:						
- Investments CCO's & similar entities	9	220	220	220	220	220
- Other	9	1,570	1,264	1,369	1,570	1,369
Total non-current assets		555,319	569,610	551,370	555,319	551,370
Total assets		576,059	586,806	563,814	576,077	563,825
Liabilities						
Current liabilities						
Payables and deferred revenue	15	9,160	9,962	10,718	8,810	10,359
Provisions	16	30	1,129	110	30	110
Employee benefit liabilities	17	899	1,155	723	899	723
Derivative financial instruments	19	378	-	-	378	-
Borrowings and other financial liabilities	18	20,000	5,000	20,000	20,000	20,000
Total current liabilities		30,467	17,246	31,551	30,117	31,192
Non-current liabilities						
Provisions	16	6,216	2,367	3,433	6,216	3,433
Employee benefit liabilities	17	167	166	137	167	137
Borrowings and other financial liabilities	18	76,000	87,494	60,000	76,000	60,000
Derivative financial instruments	19	1,819	1,222	1,222	1,819	1,222
Other	20	177	277	285	177	285
Total non-current liabilities		84,379	91,526	65,077	84,379	65,077
Total liabilities		114,846	108,772	96,628	114,496	96,269
Net assets		461,213	478,034	467,186	461,581	467,556
Equity						
Retained earnings	21	249,413	260,215	256,775	249,781	257,145
Revaluation reserves		202,388	209,464	201,312	202,388	201,312
Other reserves		9,412	8,355	9,099	9,412	9,099
Total equity		461,213	478,034	467,186	461,581	467,556

Explanations of major variances against budget are provided on page 15

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Explanations of significant variances between the Council's actual results and the Council's budget for 2018/19

Assets

Cash and cash equivalents – While difficult to predict year end cash in the Annual Plan 18 months before year end, the \$8m balance is sufficient to maintain Council's liquidity in the short-term.

Debtors and other receivables – There are no significant variances between actual and budget.

Other financial assets – Relates to inventories held and a term deposit held on behalf of the Shannon Community Development Trust.

Non-current assets for sale – Council is in the process of selling non-core assets especially Commercial assets. The increase reflects this.

Plant, property and equipment assets – Less than budgeted due to \$12m of capital expenditure that did not occur. Reference is made in the individual activity statements on capital expenditure.

Commercial property – Has all been transferred to "Non-current assets for sale" the sale was initially budgeted to occur during the financial year but will now occur early in the next financial year

Forestry assets - are lower reflecting the harvesting and replanting that occurred at the "POT" wastewater to land disposal area.

Liabilities

Current borrowings – Higher than budget due to Council continuing to use short-term borrowing to take advantage of the historically low interest rates at the short-term end of the bond market.

Total borrowings – Overall borrowing is higher from financing assets and growth projects as well as increased costs relating to the increase in levels of service in the Solid Waste recycling activity.

Derivative financial instruments – This non-cash accrual has increased due to the historically lower interest rates currently experienced. Accounting standards dictate that council must account for the "book" loss on Interest rate hedging contracts.

Other non-current liabilities – xxxxxxxxxxxxxxxxxxxxx

Equity

Retained earnings – Is lower due to the deficit for the year and also some movements to Other Reserves

Revaluation reserves – xxxxxxxxxxxxxxxxxxxxx

Other reserves – xxxxxxxxxxxxxxxxxxxxx

Statement of Cash Flows

HOROWHENUA DISTRICT COUNCIL
AS AT 30 June 2019

	Council Actual \$ 30 June 2019 \$000	Council Budget \$ 30 June 2019 \$000	Council Actual \$ 30 June 2018 \$000	Group Actual \$ 30 June 2019 \$000	Group Actual \$ 30 June 2018 \$000
Note					
Cashflow from operating activities					
Cash was provided from:					
Revenue from rates	37,787	38,362	36,995	37,787	36,995
Other revenue	14,887	15,684	15,086	14,887	15,086
Interest received	417	205	155	424	155
Net GST movement	-	-	-	-	-
Total cash provided	53,091	54,251	52,236	53,098	52,236
Cash was disbursed to:					
Suppliers, services and employees	39,416	35,428	34,955	39,416	34,970
Interest paid	3,580	3,800	3,230	3,580	3,230
Net GST movement	149	-	(15)	149	(15)
Total cash disbursed	43,145	39,228	38,170	43,145	38,185
Net cashflow from operating activity	32	9,946	14,066	9,953	14,051
Cashflows from investing activities					
Cash was provided from:					
Proceeds from asset sales	732	7,000	7,488	732	7,488
Proceeds from investments	4,799	-	-	4,799	-
Total cash provided	5,531	7,000	7,488	5,531	7,488
Cash was disbursed to:					
Purchases of investments	-	-	5,248	-	5,248
Purchase of assets	23,956	34,517	23,420	23,956	23,420
Total cash disbursed	23,956	34,517	28,668	23,956	28,668
Net cashflow from investing activity	(18,425)	(27,517)	(21,180)	(18,425)	(21,180)
Cashflows from financing activities					
Cash was provided from:					
Loans raised	78,000	26,494	35,000	78,000	35,000
Total cash provided	78,000	26,494	35,000	78,000	35,000
Cash was disbursed to:					
Repayment of public debt	62,000	14,000	32,000	62,000	32,000
Total cash disbursed	62,000	14,000	32,000	62,000	32,000
Net cashflow from financing activity	16,000	12,494	3,000	16,000	3,000
Net increase (decrease) in cash held	7,521	-	(4,114)	7,528	(4,129)
Add opening cash brought forward	960	11,024	5,074	971	5,100
Closing cash balance	8,481	11,024	960	8,499	971
Closing balance made up of cash and cash equivalents	7	8,481	960	8,499	971

Explanations of major variances against budget are provided on page 17

The financial statements should be read in conjunction with the statement of accounting policies and the notes to the accounts.

Explanations of significant variances between the Council's actual results and the Council's budget for 2018/19

Cashflows from operating activities

Other revenues – xxxxxxxxxxxxxxxxxxxxxxxxxxxx

Payment to suppliers, services and employees – xxxxxxxxxxxx

Interest paid – xxxxxxxxxxxx

Cashflows from investment activities

Proceeds from assets sales – xxxxxxxxxxxx

Purchase of assets – xxxxxxxxxxxx

Cashflows from financing activities

Net cashflow from financing activity – xxxxxxxxxxxx

Funding Impact Statement for Whole of Council

HOROWHENUA DISTRICT COUNCIL
FOR THE YEAR ENDED 30 June 2019

	Annual Plan Forecast 2018 \$000	Annual Report Actual 2018 \$000	Long Term Plan Forecast 2019 \$000	Actual 2019 \$000	Variance 2019 \$000
Sources of operating funding					
General rates, uniform annual general charges, rates penalties	9,635	9,374	9,533	9,547	14
Targeted rates	27,155	27,006	28,828	29,015	187
Subsidies and grants for operating purposes	1,585	1,454	1,688	1,984	296
Fees and charges	5,155	5,601	5,664	5,470	(194)
Interest and dividends from investments	70	161	205	423	218
Local authorities fuel tax, fines, infringement fees, and other receipts	3,293	3,209	3,660	3,522	(138)
Total operating funding (A)	46,893	46,805	49,578	49,961	383
Applications of operating funding					
Payments to staff and suppliers	34,680	34,842	35,426	39,202	3,776
Finance costs	3,658	3,291	3,800	3,607	(193)
Other operating funding applications	-	-	-	-	-
Total applications of operating funding (B)	38,338	38,133	39,226	42,809	3,583
Surplus (deficit) of operating funding (A-B)	8,555	8,672	10,352	7,152	(3,200)
Sources of capital funding					
Subsidies and grants for capital expenditure	5,641	4,870	4,672	3,539	(1,133)
Development and financial contributions	-	197	-	-	-
Increase (decrease) in debt	8,310	3,000	12,494	16,000	3,506
Gross proceeds from sale of assets	6,890	7,306	7,000	791	(6,209)
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
Total sources of capital funding (C)	20,841	15,373	24,166	20,330	(3,836)
Applications of capital funding					
Capital expenditure					
- to meet additional demand	4,425	2,359	3,933	765	(3,168)
- to improve the level of service	10,583	9,318	14,882	9,593	(5,289)
- to replace existing assets	14,308	12,498	15,703	12,667	(3,036)
Increase (decrease) in reserves	-	(375)	-	9,256	9,256
Increase (decrease) of investments	80	248	-	(4,799)	(4,799)
Total applications of capital funding (D)	29,396	24,045	34,518	27,482	(7,036)
Surplus (deficit) of capital funding (C-D)	(8,555)	(8,672)	(10,352)	(7,152)	3,200
Funding balance ((A-B)+(C-D))	-	-	-	-	-
Depreciation	11,604	13,860	13,489	14,350	861
Loans					
				External	
				\$000	
Loans as at 1/07/2018		80,000			
Raised during year		78,000			
Repaid during year		62,000			
Loans as at 30/06/2019		96,000			
Interest expense		3,607			

The financial statements should be read in conjunction with the statement of accounting policies and the notes to the accounts.

Reconciliation between the Funding Impact Statement for the Whole of Council and the Statement of Comprehensive Revenue and Expense

HOROWHENUA DISTRICT COUNCIL
FOR THE YEAR ENDED 30 June 2019

	Annual Report Actual 2018 \$000	Annual Plan Forecast 2019 \$000	Actual 2019 \$000	Variance 2019 \$000
Revenue				
<i>Statement of comprehensive revenue and expense</i>				
Total operating revenue	52,431	54,371	54,009	(362)
Summary funding impact statement				
<i>Sources of operating funding</i>				
Total operating funding	46,805	49,578	49,961	383
<i>Add sources of capital funding</i>				
Subsidies and grants for capital expenditure	4,870	4,673	3,539	(1,134)
Development and financial contributions	197	-	-	-
Gain on derivative financial instruments	-	-	-	-
Other gains	356	120	29	(91)
Vested assets	203	-	453	453
Total revenue	52,431	54,371	54,009	(362)
Expenditure				
<i>Statement of comprehensive revenue and expense</i>				
Total operating expenditure	54,581	52,716	61,057	8,341
Summary funding impact statement				
Total application of operating funding	38,133	39,227	42,809	3,582
Loss on derivative financial instruments	184	-	975	975
Other losses	2,262	-	156	156
Increase / (decrease) in landfill provision	142	-	2,703	2,703
Add depreciation and amortisation expense	13,860	13,489	14,350	861
Total expenditure	54,581	52,716	61,057	8,341

The financial statements should be read in conjunction with the statement of accounting policies and the notes to the accounts.

Reserve Funds

Reserves are held to ensure that funds received for a particular purpose are used for that purpose, and any surplus created is managed in accordance with the reason for which the reserve was established. Surpluses held in reserve are credited with interest. Council holds 17 reserves, with 5 being restricted reserves. Restricted reserves are reserves that have rules set by legal obligation that restrict the use that Council may put the funds towards. The remaining Council created reserves are discretionary reserves which the Council has established for the fair and transparent use of monies. Reserve balances are not separately held in cash, and the funds are managed as part of the Council's treasury management.

Below is a list of current reserves outlining the purpose for holding each reserve and the Council activity to which each reserve relates, together with summary financial information across the year of the annual report:

2019 RESERVE FUNDS	Opening Balance 1 July 2018 \$000s	Deposits for the period of the year \$000s	Withdrawals For the period of the year \$000s	Closing Balance 30 June 2019 \$000s
Restricted reserves – purpose of the fund				
Foxton Beach Freeholding Fund (Property) Accumulated cash reserves from the Foxton Beach Endowment land sales under the separate Act gifting the land for the benefit of Foxton Beach inhabitants.	5,320	495	245	5,570
Reserve Land Reserve (Parks and Recreation) To hold funds derived from the sale of surplus reserve land to be spent on the future development of reserves under the Reserves Act.	181	4	0	185
Road Upgrade Reserve (Roading Activity) To fund transport network improvements as approved by the Council, from the accumulated funds of the former Horowhenua County Council subdivision contributions to roading.	768	15	0	783
Wairarawa Stream Walkway To hold funds for the construction of a walkway along the Wairarawa stream.	53	2		55
Total restricted reserves	6,323	516	245	6,592
Financial and Capital contributions for				
Roading (Roading Activity) To fund transport network improvements, from the accumulated funds from financial and capital contributions under the District Plan prior to Development Contributions regime.	84	2	0	86
Financial and Capital contributions for Water Supplies (Water Supply Activity) To fund water supply improvement projects, from the accumulated funds from financial and capital contributions under the District Plan prior to Development Contributions regime.	558	11	0	568
Financial and Capital contributions for Wastewater Schemes (Wastewater Activity) To fund Wastewater Scheme improvement projects, from the accumulated funds from financial and capital contributions under the District Plan prior to Development Contributions regime.	138	3	0	141
Financial and Capital contributions for Parks and Reserves (Parks and Recreation Activity) To fund Parks and Reserves improvement projects, from the accumulated funds from financial and capital contributions under the District Plan prior to Development Contributions regime.	644	12	0	656

2019 RESERVE FUNDS	Opening Balance 1 July 2018 \$000s	Deposits for the period of the year \$000s	Withdrawals For the period of the year \$000s	Closing Balance 30 June 2019 \$000s
Election Fund (Representation and Governance Activity) To smooth the rating impact of election costs and to fund any by-election.	116	2	33	85
Capital Projects Fund (All Activities) To provide funds for strategic capital projects with the last \$250,000 as a disaster relief working capital fund.	852	16	0	868
Foxton Citizens Fund (Community Support Activity) To provide a fund for awards in recognition of community service in Foxton.	4	0	0	4
Hockey Turf Replacement Fund (Parks and Recreation - Sports Grounds) To fund the replacement of the water turf at Donnelly Park on behalf of the Turf trust.	225	29	0	254
Esplanade Fund (Parks and Recreation) To provide a fund to construct or provide for possible public access ways to esplanade reserves created under the Resource Management Act.	130	3	0	133
Shannon Railway Station Fund (Property Activity) Set aside from grants to preserve the historic Shannon Railway Station.	25	1		26
Total Council created reserves	2,776	77	33	2,821
Total all reserve funds	9,099	593	280	9,412

Reserve Funds

2018 RESERVE FUNDS	Opening Balance 1 July 2017 \$000s	Deposits for the period of the year \$000s	Withdrawals For the period of the year \$000s	Closing Balance 30 June 2018 \$000s
Restricted reserves – purpose of the fund				
Foxton Beach Freeholding Fund (Property) Accumulated cash reserves from the Foxton Beach Endowment land sales under the separate Act gifting the land for the benefit of Foxton Beach inhabitants.	4,765	1,478	923	5,320
Reserve Land Reserve (Parks and Recreation) To hold funds derived from the sale of surplus reserve land to be spent on the future development of reserves under the Reserves Act.	177	4	-	181
Road Upgrade Reserve (Roothing Activity) To fund transport network improvements as approved by the Council, from the accumulated funds of the former Horowhenua County Council subdivision contributions to roading.	750	18	-	768
Wairarawa Stream Walkway To hold funds for the construction of a walkway along the Wairarawa stream.	52	1	-	53
Total restricted reserves	5,744	1,502	923	6,323
Council created reserves – purpose of the fund				
Financial and Capital contributions for Roothing (Roothing Activity) To fund transport network improvements, from the accumulated funds from financial and capital contributions under the District Plan prior to Development Contributions regime.	82	2	-	84
Financial and Capital contributions for Water Supplies (Water Supply Activity) To fund water supply improvement projects, from the accumulated funds from financial and capital contributions under the District Plan prior to Development Contributions regime.	545	13	-	558
Financial and Capital contributions for Wastewater Schemes (Wastewater Activity) To fund Wastewater Scheme improvement projects, from the accumulated funds from financial and capital contributions under the District Plan prior to Development Contributions regime.	135	3	-	138
Financial and Capital contributions for Parks and Reserves (Parks and Recreation Activity) To fund Parks and Reserves improvement projects, from the accumulated funds from financial and capital contributions under the District Plan prior to Development Contributions regime.	629	15	-	644
Election Fund (Representation and Governance Activity) To smooth the rating impact of election costs and to fund any by-election.	72	44	-	116
Capital Projects Fund (All Activities) To provide funds for strategic capital projects with the last \$250,000 as a disaster relief working capital fund.	832	20	-	852
Foxton Citizens Fund (Community Support Activity) To provide a fund for awards in recognition of community service in Foxton.	4	-	-	4

2018 RESERVE FUNDS	Opening Balance 1 July 2017 \$000s	Deposits for the period of the year \$000s	Withdrawals For the period of the year \$000s	Closing Balance 30 June 2018 \$000s
Hockey Turf Replacement Fund (Parks and Recreation - Sports Grounds) To fund the replacement of the water turf at Donnelly Park on behalf of the Turf trust.	224	31	30	225
Esplanade Fund (Parks and Recreation) To provide a fund to construct or provide for possible public access ways to esplanade reserves created under the Resource Management Act.	127	3	-	130
Shannon Railway Station Fund (Property Activity) Set aside from grants to preserve the historic Shannon Railway Station.	25	-	-	25
Total Council created reserves	2,675	131	30	2,776
Total all reserve funds	8,419	1,633	953	9,099

Council's Interest in Other Entities

The Local Government Act 2002, Schedule 10 (28) requires Council to provide information with regard to organisations under the control of the Council.

Shannon Community Development Trust

Nature and scope of activities provided

The Shannon Community Development Trust has been set up for the benefit of residents of the Shannon Township. The purpose of the Trust is, but not limited to, educational activities, including scholarships for educational purposes, the alleviation of hardship, the provision of training and equipment for the protection of the community, and the provision of financial assistance for events recognising the involvement of community members.

Policies and objectives on ownership and control

The Trust was established on 2 August 2012. The Trust has five Trustees (excluding Advisory Trustees). The current councillor for Miranui Ward will automatically be one of the five.

The Trust is an exempt council controlled organisation, as it has not been established for the purposes of making a profit and is not intended to be a Council Controlled Organisation under the Local Government Act 2002. The Trust is exempt from reporting its performance under the Local Government Act 2002, schedule 10 (7) as approved by Council on 29 August 2018.

The Council receives the Trust's audited annual report. The annual accounts are included in the Group financials for 30 June 2019.

Manawatū-Whanganui Local Authority Shared Services Limited (MWLASS)

Nature and scope of activities provided

MW LASS Ltd was formed in October 2008 by seven local councils to provide an 'umbrella vehicle' for the councils of the Manawatū-Whanganui region to investigate, procure, develop and deliver shared services.

Policies and objectives on ownership and control

The company comprises of a Board of eight directors, seven CEOs of the shareholding Councils and one independent Director. The Board oversees the governance of MWLASS Ltd.

To date there has been one call on share capital and is now trading. Horowhenua District Council owns one seventh or 14% of this company and has a \$16,000 share capital.

The company is exempt from reporting its performance under the Local Government Act 2002, schedule 10 (7) as approved by Council on 10 October 2018.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 June 2019

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1. RATES REVENUE	Council and Group Actual \$ 30 June 2019 \$000	Council and Group Budget \$ 30 June 2019 \$000	Council and Group Actual \$ 30 June 2018 \$000
Gross rates			
General rates			
Uniform annual general charge		-	-
Differential general rates	9,567	9,553	9,269
Penalties	344	380	371
Total general-purpose rates	9,911	9,933	9,640
Targeted rates			
Solid waste rates	316	315	329
Roading rate	4,137	4,110	4,098
Library services and Community Centres rate	4,053	4,050	3,694
Representation and Community Leadership rate	3,507	3,505	3,607
Aquatic centre (Swimming pool) rate	2,348	2,346	2,287
Stormwater rate	1,058	1,051	1,103
Wastewater Disposal rate	6,900	6,890	6,414
Total targeted rates excluding water rates	22,319	22,267	21,532
Water rates			
District wide	4,807	4,805	4,081
Foxton Beach	482	481	391
Metered water supply	1,407	1,276	1,307
Total targeted water rates	6,696	6,562	5,779
Total rates revenue (gross of remissions)	38,926	38,762	36,951
Net rates			
Total rates revenue (gross)	38,926	38,762	36,951
Rates remissions:			
	(364)		
Remissions under the Council remission policy		(400)	(304)
Penalty remissions		-	(266)
Total rate remissions	(364)	(400)	(570)
Total rates revenue net of remissions	38,562	38,362	36,381
Exchange transaction			-
Non exchange transaction	38,562		36,381
Total transactions	38,562		36,381

Total rates revenue include \$270,810 (2018: \$463,534) for rates paid by HDC on properties owned by Council

Rateable properties	30 June 2019	30 June 2018
Total properties	18,127	18,040
Total land value	\$3,330,735,750	\$3,323,478,958
Total capital value	\$6,805,679,650	\$6,716,262,450

Horowhenua District Council's rates remissions policies allow Horowhenua District Council to remit rates on community groups, voluntary protected land, penalties, excessive water charges, remnant land, rating units in industrial and commercial areas used for residential purposes, small rate balances, targeted rates on non-rateable land, properties affected by disasters, unsold subdivision lots, bare land, contiguous rating units not in common ownership and Māori land.

In accordance with the Local Government (Rating) Act 2002, certain properties cannot be rated for general rates. These include schools, places of religious worship, public gardens and reserves. These non-rateable properties, where applicable, may be subject to targeted rates in respect of sewerage, water, refuse and sanitation. Non-rateable land does not constitute remission under Horowhenua District Council's Rates Remission Policy.

2. FINANCE REVENUE AND OTHER REVENUE	Council Actual \$ 30 June 2019 \$000	Council Actual \$ 30 June 2018 \$000	Group Actual \$ 30 June 2019 \$000	Group Actual \$ 30 June 2018 \$000
2a. Finance revenue				
Interest revenue for financial assets not at fair value through profit and loss				
Bank deposits	379	122	391	135
Borrower notes	44	39	44	39
Total finance revenue	423	161	435	174
Exchange transactions	423	161	435	174
Non exchange transactions		-		-
Total finance revenue transactions	423	161	435	174
2b. Subsidies and grants				
NZTA Government grants	4,660	4,904	4,660	4,904
Private sector grants	102	72	102	72
Other Government grants	762	1,349	762	1,349
Total subsidies and grants	5,524	6,325	5,524	6,325
Exchange transactions	-	-	-	-
Non exchange transactions	5,524	6,325	5,524	6,325
Total subsidies and grants transactions	5,524	6,325	5,524	6,325
2c. Fees and charges				
User charges	4,808	4,968	4,808	4,968
Rental revenue from commercial properties	662	633	662	633
Total fees and charges	5,470	5,601	5,540	5,601
Exchange transactions	674	683	674	683
Non exchange transactions	4,796	4,918	4,796	4,918
Total fees and charges transactions	5,470	5,601	5,470	5,601
2d. Other revenue				
Infringements and fines	451	285	451	285
Rendering of services	418	459	418	459
Petrol tax	229	237	229	237
Dividend revenue	5	6	5	6
Insurance recoveries:				
- buildings	6	-	6	-
Regulatory revenue	2,288	2,155	2,288	2,155
Donations	124	65	124	65
Total other revenue	3,521	3,207	3,521	3,207
Exchange transactions	490	374	490	374
Non exchange transactions	3,031	2,833	3,031	2,833
Total other revenue transactions	3,521	3,207	3,521	3,207

2. FINANCE REVENUE AND OTHER REVENUE (cont.)	Council Actual \$ 30 June 2019 \$000	Council Actual \$ 30 June 2018 \$000	Group Actual \$ 30 June 2019 \$000	Group Actual \$ 30 June 2018 \$000
2e. Vested assets	453	203	453	203
2f. Development contributions	-	197	-	197
Total vested assets and development contributions	453	400	453	400
Exchange transactions	-	-	-	-
Non exchange transactions	453	400	453	400
Total vested assets and development contributions transactions	453	400	453	400

There are no unfulfilled conditions and other contingencies attached to government grants recognised other than that relating to the government grant for housing discussed in Note 23.

3. OTHER GAINS/(LOSSES)		Council Actual \$ 30 June 2019 \$000	Council Actual \$ 30 June 2018 \$000	Group Actual \$ 30 June 2019 \$000	Group Actual \$ 30 June 2018 \$000
Non-financial instruments					
Gain/(loss) on changes in fair value of forestry assets	13	(68)	164	(68)	164
Gain/(loss) on changes in fair value of carbon credits		27	56	27	56
Gain on disposal of property, plant and equipment		29	136	29	136
Loss on disposal of property, plant and equipment		(155)	(2,243)	(155)	(2,243)
Gain/(loss) on acquisition of CCO		-	-	-	-
Gain/(loss) on changes in fair value of investment property	14	-	-	-	-
Total non-financial instruments		(164)	(1,887)	(164)	(1,887)
Financial instruments					
Gain/(loss) on revaluation of financial liabilities		-	-	-	-
Gain/(loss) on revaluation of financial assets	28	-	(19)	-	(19)
Total financial instruments		-	(19)	-	(19)
Total gains/(losses)		(164)	(1,906)	(164)	(1,906)

4. EMPLOYEE BENEFIT EXPENSES		Council Actual \$ 30 June 2019 \$000	Council Actual \$ 30 June 2018 \$000	Group Actual \$ 30 June 2019 \$000	Group Actual \$ 30 June 2018 \$000
Salaries and wages		13,940	12,607	14,087	12,607
Increase/(decrease) in employee entitlements		206	13	206	13
Other employee benefit expenses		155	420	155	420
Employer contributions to superannuation schemes		360	329	360	329
Total employee benefit expenses		14,661	13,369	14,808	13,369

5. OTHER OPERATING EXPENSES		Council Actual \$ 30 June 2019 \$000	Council Actual \$ 30 June 2018 \$000	Group Actual \$ 30 June 2019 \$000	Group Actual \$ 30 June 2018 \$000
	Note				
Fees to principal auditor					
Audit fees for financial statement audit		157	150	157	150
Audit fees for other services*		4	91	4	91
Total fees to principal auditor		161	241	161	241
Donations		-	-	-	-
Debtors written off	8	5	108	5	108
Impairment of receivables	8	(125)	(22)	(125)	(22)
Impairment of property, plant and equipment		-	-	-	-
Minimum lease payments under operating leases		267	256	267	256
Professional services		5,077	4,403	5,077	4,403
Asset maintenance contract expenditure		14,054	12,272	14,054	12,272
General grants		590	550	590	550
Expenditure on utilities		1,091	978	1,091	978
Other		3,421	2,687	3,421	2,687
Total other operating expenses		24,541	21,473	24,54	21,473

* The audit fees paid to Audit NZ for other services in the year ended 30 June 2019 was for the audit of the Debenture Trustee disclosure. (2018 was for the audit of the Debenture Trustee disclosure and Long Term Plan).

6 FINANCE COSTS		Council Actual \$ 30 June 2019 \$000	Council Actual \$ 30 June 2018 \$000	Group Actual \$ 30 June 2019 \$000	Group Actual \$ 30 June 2018 \$000
	Note				
Interest on borrowings		3,325	3,011	3,325	3,011
Interest rate swaps (presented net)		282	280	282	280
Total finance costs		3,607	3,291	3,607	3,291

7. CASH AND CASH EQUIVALENTS		Council Actual \$ 30 June 2019 \$000	Council Actual \$ 30 June 2018 \$000	Group Actual \$ 30 June 2019 \$000	Group Actual \$ 30 June 2018 \$000
	Note				
Cash at bank and in hand		3,481	960	3,499	971
Term deposits with maturities less than three months at acquisition		5,000	-	5,000	-
Total cash and cash equivalents		8,481	960	8,499	971
Cash and cash equivalents for the purpose of the statement of cash flows					
Cash at bank and in hand		3,481	960	3,499	971
Term deposits with maturities less than three months at acquisition		5,000	-	5,000	-
Bank overdrafts		-	-	-	-
Total cash and cash equivalents for the purpose of the statement of cash flows		8,481	960	8,499	971

The carrying value of cash at bank and short-term deposits with maturities less than three months approximates their fair value.

There are no financial assets recognised in a non-exchange transaction that are subject to restrictions.

8. DEBTORS AND OTHER RECEIVABLES	Note	Council Actual \$ 30 June 2019 \$000	Council Actual \$ 30 June 2018 \$000	Group Actual \$ 30 June 2019 \$000	Group Actual \$ 30 June 2018 \$000
Gross debtors and other receivables					
Rates receivables		3,856	2,965	3,856	2,965
Related party receivables	24	-	-	-	-
Prepayments		267	304	267	304
GST receivable		596	755	596	755
Other receivables		2,446	2,642	2,446	2,642
Total gross debtors and other receivables		7,165	6,666	7,165	6,666
Less provision for impairment of receivables		(1,218)	(1,099)	(1,218)	(1,099)
Net debtors and other receivables		5,947	5,567	5,947	5,567
Less non-current portion:			-		-
Total current portion debtors and other receivables		5,947	5,567	5,947	5,567
Receivables from non-exchange transactions – this includes outstanding amounts for rates, grants, infringements, and fees and charges for activities that are partly subsidised by rates.		5,891	5,511	5,891	5,511
Receivables from exchange transactions – this includes outstanding amounts for commercial sales and fees and charges that have not been subsidised by rates.		56	56	56	56
Total debtors and other receivables transactions		5,947	5,567	5,947	5,567

Fair value

The carrying value of debtors and other receivables approximates their fair value.

Impairment

There is no significant concentration of credit risk with respect to receivables outside the Group, as the Group has a large number of customers.

Horowhenua District Council does not provide for any impairment on rates receivable other than those likely to qualify under Horowhenua District Council's Rates Remissions Policy as it has various powers under the Local Government (Rating) Act 2002 to recover any outstanding debts. Ratepayers can apply for payment plan options in special circumstances. Where such payment plans are in place debts are discounted to the present value of future repayments.

These powers allow Horowhenua District Council to commence legal proceedings to recover any rates that remain unpaid four months after the due date for payment. If payment has not been made within three months of the court's judgment, then Horowhenua District Council can apply to the Registrar of the High Court to have the judgment enforced by sale or lease of the rating unit.

No receivables that would otherwise be past due or impaired and whose terms have been renegotiated.

As of 30 June 2019 and 2018 all overdue receivables, except for rates receivables, have been assessed for impairment and appropriate provisions applied. Horowhenua District Council holds no collateral as security or other enhancements over receivables that are either past due or impaired.

The status of receivables as at 30 June 2019 and 2018 are detailed below:

	2019			2018		
	Gross \$000	Impairment \$000	Net \$000	Gross \$000	Impairment \$000	Net \$000
Council						
Not past due	2,714	-	2,714	2,687	-	2,687
Past due < 1 year	3,317	151	3,166	3,791	227	3,564
Past due > 1 year	1,134	1,067	67	188	872	(684)
Total	7,165	1,218	5,947	6,666	1,099	5,567
Group						
Not past due	2,714	-	2,714	2,687	-	2,687
Past due < 1 year	3,317	151	3,166	3,791	227	3,564
Past due > 1 year	1,134	1,067	67	188	872	(684)
Total	7,165	1,218	5,947	6,666	1,099	5,567

The impairment provision has been calculated based on expected losses for Horowhenua District Council's pool of debtors. Expected losses have been determined based on an analysis of Horowhenua District Council's losses in previous periods, and review of specific debtors as detailed below:

IMPAIRMENT PROVISION	Council Actual \$ 30 June 2019 \$000	Council Actual \$ 30 June 2018 \$000	Group Actual \$ 30 June 2019 \$000	Group Actual \$ 30 June 2018 \$000
	Individual impairment	1,218	1,099	1,218
Collective impairment	-	-	-	-
Total provision for impairment	1,218	1,099	1,218	1,099

Individually impaired receivables have been determined to be impaired because of the significant financial difficulties being experienced by the debtor. An analysis of these individually impaired debtors is as follows:

Individual impairment				
Past due < 1 year	151	227	151	227
Past due > 1 year	1,067	872	1,067	872
Total individual impairment	1,218	1,099	1,218	1,099

Movements in the provision for impairment of receivables are as follows:

At 1 July	1,099	1,185	1,099	1,185
Additional provisions made during the year	124	22	124	22
Debtors written off during period	(5)	(108)	(5)	(108)
Increase in infringement provision	-	-	-	-
At 30 June	1,218	1,099	1,218	1,099

9. OTHER FINANCIAL ASSETS	Council Actual \$ 30 June 2019 \$000	Council Actual \$ 30 June 2018 \$000	Group Actual \$ 30 June 2019 \$000	Group Actual \$ 30 June 2018 \$000
Current portion				
Inventories	15	15	15	15
Loans and receivables:				
Short-term deposits with maturities of 4-12 months	350	5,350	350	5,350
Community loans	10	10	10	10
Total loans and receivables	360	5,360	360	5,360
Total current portion	375	5,375	375	5,375
Non-current portion				
Investment in CCO's and similar entities:				
Unlisted shares in NZLGIC Limited	104	104	104	104
Unlisted shares in MWLASS	16	16	16	16
Unlisted shares in LGFA	100	100	100	100
Total investment in CCO's and similar entities	220	220	220	220
Other:				
LGFA borrowers notes	1,506	1,298	1,506	1,298
Deposits with maturities of over 12 months	0	-	0	-
Investments carried at cost:	0	-	0	-
Community loans	64	71	64	71
Total other	1,570	1,369	1,570	1,369
Total non-current portion	1,790	1,589	1,790	1,589
Total other financial assets	2,165	6,964	2,165	6,964

Fair value

All unlisted shares have been valued at cost and not fair value. The carrying amount of term deposits and LGFA borrower notes approximates their fair value.

Maturity analysis and effective interest rates:	Council Actual \$ 30 June 2019 \$000	Council Actual \$ 30 June 2018 \$000	Group Actual \$ 30 June 2019 \$000	Group Actual \$ 30 June 2018 \$000
Short-term deposits with maturities 3 months or less	5,000	-	5,000	-
Average maturity	92 Days	-	92 Days	-
Weighted average effective interest rate	2.5%	-	2.5%	-
Short-term deposits with maturities of 4-12 months	350	5,350	350	5,350
Average maturity	180 Days	198 Days	180 Days	198 Days
Weighted average effective interest rate	3.26%	3.20%	3.26%	3.20%

Impairment

There were no impairment provisions for other financial assets. None of the financial assets are past due date or impaired.

10. NON-CURRENT ASSETS HELD FOR SALE	Council Actual \$ 30 June 2019 \$000	Council Actual \$ 30 June 2018 \$000	Group Actual \$ 30 June 2019 \$000	Group Actual \$ 30 June 2018 \$000
Surplus property	5,937	542	5,937	542
Total assets held for sale	5,937	542	5,937	542

11. PROPERTY, PLANT AND EQUIPMENT (PPE) 2019

2019	Accumulated depreciation and impairment charges		Carrying amount 1-Jul-18	Additions 2018/19	Vested assets 2018/19	Disposals at cost 2018/19	Depreciation on disposals 2018/19	Depreciation 2018/19	Reversal of accumulated depreciation 2018/19	Revaluation 2018/19	Transfers 2018/19	Cost / revaluation 30-Jun-19	Accumulated depreciation and impairment charges 30-Jun-19	Carrying amount 30-Jun-19
	Cost / revaluation 1-Jul-18	impairment charges 1-Jul-18												
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Council operational assets														
Land	15,168	-	15,168	1,061	-	-	-	-	-	-	(650)	15,579	-	15,579
Buildings	36,188	(664)	35,524	326	-	-	(670)	-	-	-	-	36,514	(1,334)	35,180
Library books and other lending stock	808	(111)	697	233	-	(144)	(90)	-	-	-	-	897	(201)	696
Plant and equipment	5,612	(2,720)	2,892	670	-	(124)	122	(477)	-	-	-	6,158	(3,075)	3,083
Total operational assets	57,776	(3,495)	54,281	2,290	-	(268)	122	(1,237)	-	-	(650)	59,148	(4,610)	54,538
Council infrastructural assets														
Wastewater treatment	36,314	(1,116)	35,198	3,883	-	(24)	8	(1,170)	1,059	963	-	40,085	(1,227)	38,858
Wastewater other	66,944	(2,003)	64,941	2,456	403	-	-	(2,047)	2,004	1,079	-	68,878	(2,046)	66,832
Water supply treatment	24,548	(864)	23,684	1,077	-	-	-	(906)	778	1,553	-	26,400	(992)	25,408
Water supply other	53,298	(1,719)	51,579	4,854	51	-	-	(1,769)	1,718	(683)	-	55,802	(1,770)	54,032
Stormwater drainage	39,336	(694)	38,642	1,110	-	-	-	(638)	694	(1,839)	-	37,913	(638)	37,275
Solid waste	5,151	(283)	4,868	107	-	-	-	(278)	-	-	-	5,258	(561)	4,697
Roads	163,475	(4,100)	159,375	4,159	-	-	-	(4,109)	-	-	-	167,634	(8,209)	159,425
Footpaths	39,937	(898)	39,039	1,581	-	-	-	(899)	-	-	-	41,518	(1,797)	39,721
Land under roads	24,285	-	24,285	-	-	-	-	-	-	-	-	24,285	-	24,285
Total infrastructural assets	453,288	(11,677)	441,611	19,227	454	(24)	8	(11,816)	6,253	1,073	-	467,773	(17,240)	450,533
Council restricted assets														
Cemeteries	1,405	(12)	1,393	101	-	-	-	(21)	-	-	-	1,506	(33)	1,473
Parks and reserves	38,964	(772)	38,192	1,116	-	-	-	(828)	-	-	-	40,083	(1,600)	38,483
Endowment properties	5,595	(34)	5,561	102	-	(215)	-	(53)	-	-	650	6,132	(87)	6,045
Total restricted assets	45,964	(818)	45,146	1,319	-	(215)	-	(902)	-	-	650	47,721	(1,720)	46,001
Total council PPE	556,259	(15,990)	541,038	22,836	454	(507)	130	(13,955)	6,253	1,073	-	574,641	(23,570)	551,071

Work in progress

Work in progress at 30 June 2019 was \$29,954 in buildings (2018: \$29,954), \$808,618 in wastewater (2018: \$808,618), \$1,671,734 in water (2018: \$1,671,734), \$17,658 in parks (2018: \$17,658), \$130,142 in plant and equipment (2018: \$130,142), \$0 in solid waste (2018: \$0) and \$338,580 in stormwater (2018: \$338,580). They are included in the above assets.

Restrictions on title

There are no pledges or restrictions on titles for any properties, plant or equipment as per the accounting policies for restricted assets. No items of any properties, plant or equipment were impaired, lost or given up.

11. PROPERTY, PLANT AND EQUIPMENT (PPE) 2018

2018	Accumulated depreciation and impairment charges		Carrying amount 1-Jul-17	Additions 2017/18	Vested assets 2017/18	Disposals at cost 2017/18	Depreciation on disposals 2017/18	Depreciation 2017/18	Reversal of accumulated depreciation 2017/18	Revaluation 2017/18	Transfers 2017/18	Cost / revaluation 30-Jun-18	Accumulated depreciation and impairment charges 30-Jun-18	Carrying amount 30-Jun-18
	Cost / revaluation 1-Jul-17	impairment charges 1-Jul-17												
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Council operational assets														
Land	15,683	-	15,683	330	-	(845)	-	-	-	-	-	15,168	-	15,168
Buildings	33,526	-	33,526	2,870	-	(150)	2	(664)	-	75	(135)	36,188	(664)	35,524
Library books and other lending stock	819	-	819	217	-	(228)	-	(111)	-	-	-	808	(111)	697
Plant and equipment	4,333	(2,353)	1,980	1,379	-	(227)	162	(367)	-	-	(35)	5,612	(2,720)	2,892
Total operational assets	54,361	(2,353)	52,008	4,796	-	(1,450)	164	(1,142)	-	75	(170)	57,776	(3,495)	54,281
Council infrastructural assets														
Wastewater treatment	34,818	(950)	33,868	1,556	-	-	-	(1,115)	949	1,431	(542)	36,314	(1,116)	35,198
Wastewater other	62,212	(1,896)	60,316	1,942	104	-	-	(2,003)	1,896	4,582	-	66,944	(2,003)	64,941
Water supply treatment	23,874	(720)	23,154	1,539	-	-	-	(845)	701	(164)	-	24,548	(864)	23,684
Water supply other	47,776	(1,621)	46,155	2,638	99	-	-	(1,719)	1,621	4,406	-	53,298	(1,719)	51,579
Stormwater drainage	38,502	(614)	37,888	2,147	-	-	-	(620)	540	(773)	-	39,336	(694)	38,642
Solid waste	5,019	(5)	5,014	132	-	-	-	(278)	-	-	-	5,151	(283)	4,868
Roads	163,137	(4,974)	158,163	6,207	-	-	-	(4,100)	4,974	(895)	-	163,475	(4,100)	159,375
Footpaths	40,138	(935)	39,203	1,608	-	-	-	(898)	935	(874)	-	39,937	(898)	39,039
Land under roads	24,285	-	24,285	-	-	-	-	-	-	-	-	24,285	-	24,285
Total infrastructural assets	439,761	(11,715)	428,046	17,769	203	-	-	(11,578)	11,616	7,713	(542)	453,288	(11,677)	441,611
Council restricted assets														
Cemeteries	1,146	-	1,146	259	-	-	-	(12)	-	-	-	1,405	(12)	1,393
Parks and reserves	37,729	(3)	37,726	1,065	-	-	-	(769)	-	-	170	38,964	(772)	38,192
Endowment properties	6,107	-	6,107	88	-	(600)	-	(34)	-	-	-	5,595	(34)	5,561
Total restricted assets	44,982	(3)	44,979	1,412	-	(600)	-	(815)	-	-	170	45,964	(818)	45,146
Total council PPE	539,104	(14,071)	525,033	23,208	203	(2,050)	164	(13,535)	11,616	7,788	(542)	556,259	(15,990)	541,038

Work in progress

Work in progress at 30 June 2018 was \$29,954 in buildings (2017: \$7,942,326), \$808,618 in wastewater (2017: \$3,702,103), \$1,671,734 in water (2017: \$636,576), \$17,658 in parks (2017: \$103,082), \$130,142 in plant and equipment (2017: \$98,804), \$0 in solid waste (2017: \$95,561) and \$338,580 in stormwater (2017 \$4,238,024). They are included in the above assets.

12. INTANGIBLE ASSETS 2019													
2019	Cost / revaluation 1-Jul-18 \$000	Accumulated amortisation and impairment charges 1-Jul-18 \$000	Carrying amount 1-Jul-18 \$000	Additions 2018/19 \$000	Vested Assets 2018/19 \$000	Disposals at Cost 2018/19 \$000	Amortisation on Disposals 2018/19 \$000	Amortisation 2018/19 \$000	Revaluation 2018/19 \$000	Transfers 2018/19 \$000	Cost / revaluation 30-Jun-19 \$000	Accumulated amortisation and impairment charges 30-Jun-19 \$000	Carrying amount 30-Jun-19 \$000
Council intangible assets													
Easements	238	-	238	1	-	0	-	-	-	-	239	-	239
Carbon credits	296	-	296	-	-	-	-	-	-	-	296	-	296
Computer software	4,106	(2,885)	1,221	139	-	-	-	(395)	-	-	4,245	(3,280)	965
Total council intangible assets	4,641	(2,885)	1,756	140	-	0	-	(395)	-	-	4,780	(3,280)	1,500

12. INTANGIBLE ASSETS 2018													
2018	Cost / revaluation 1-Jul-17 \$000	Accumulated amortisation and impairment charges 1-Jul-17 \$000	Carrying amount 1-Jul-17 \$000	Additions 2017/18 \$000	Vested Assets 2017/18 \$000	Disposals at Cost 2017/18 \$000	Amortisation on Disposals 2017/18 \$000	Amortisation 2017/18 \$000	Revaluation 2017/18 \$000	Transfers 2017/18 \$000	Cost / revaluation 30-Jun-18 \$000	Accumulated amortisation and impairment charges 30-Jun-18 \$000	Carrying amount 30-Jun-18 \$000
Council intangible assets													
Easements	235	-	235	3	-	0	-	-	-	-	238	-	238
Carbon credits	240	-	240	56	-	-	-	-	-	-	296	-	296
Computer software	3,940	(2,560)	1,380	166	-	-	-	(325)	-	-	4,106	(2,885)	1,221
Total council intangible assets	4,416	(2,560)	1,856	225	-	0	-	(325)	-	-	4,641	(2,885)	1,756

Impairment of easements

Easements are not cash generating in nature, instead they give Horowhenua District Council the right to access private property where infrastructural assets are located. As such impairment of easements is determined by considering the future service potential of the easement and its assessed replacement.

Life of easements

Easements have been assessed as having an indefinite useful life because they provide Horowhenua District Council with access to infrastructural assets for an indefinite time period.

13. FORESTRY ASSETS	Note	Council and Group Actual \$ 30 June 2019 \$000	Council and Group Actual \$ 30 June 2018 \$000
Balance at 1 July		1,108	1,500
Gains/(losses) arising from changes in fair value less estimated point of sale costs attributable to price changes	3	(65)	164
Purchase of trees at the POT		32	-
Harvest of trees at the POT		(91)	(556)
Total forestry assets		942	1,108

Council owns 96.15 hectares of pinus radiata forest and other harvestable trees, which are at varying stages of maturity ranging from 1 to 28 years. This consists of the Ferry Reserve 13.35 ha, Purcell St transfer station 3.9 ha, Hokio Landfill 33.7 ha and Target Reserve 24.5 ha. The POT forest has been harvested and the net stocked area of the forest is currently 20.7 ha with plans to replant another 31.4 ha.

Independent registered valuers, Forme Consulting Ltd, have valued the forestry assets as at 30 June 2019. Valuation assumptions adopted in determining the fair value of the forestry assets include:

- * a pre-tax discount rate of 8% (2018: 8%) has been used in discounting the present value of expected cash returns;
- * the value of the land and the cost of owning the land are not allowed for in the valuation;
- * the estimated net stocked forest area is based on aerial mapping records;
- * trend log prices are based on an average of the last six quarters; and
- * costs are current average costs.

Financial risk management strategies

Horowhenua District Council is exposed to financial risks arising from changes in timber prices. Horowhenua District Council is a long-term forestry investor and does not expect timber prices to decline significantly in the foreseeable future, therefore, has not taken any measures to manage the risks of a decline in timber prices. Horowhenua District Council reviews its outlook for timber prices regularly in considering the need for active financial risk management.

There are no restrictions on titles and liabilities for forestry.

14 COMMERCIAL PROPERTY	Note	Council and Group Actual \$ 30 June 2019 \$000	Council and Group Actual \$ 30 June 2018 \$000
Balance at 1 July		5,879	5,879
Additions from acquisitions		-	-
Additions from subsequent expenditure		58	-
Transfer from/(to) assets held for sale		(5,937)	-
Disposals		-	-
Fair value gains/(losses) on valuation	3	-	-
Total Commercial property		-	5,879

Horowhenua District Council intends to sell all the commercial classed property so therefore transferred the those assets plus the current year's additions at cost to assets held for sale. The commercial property has not been revalued this financial year.

The market value at 30 June 2018 was \$5,879,000 which has taken into account all the improvements made to that time. Assumptions vary depending on the item being valued. Land is based on current sales; leasehold land is based on recent market sales evidence and commercial properties are determined by rental achieved or achievable with appropriate capitalisation return indicating property worth. The anticipated rental assumptions range from \$90 to \$150 per square meter for office space, \$120 to \$160 per square meter for retail space and \$25 to \$50 per square meter for industrial space. Capitalisation returns range from 9% to 13% (2017: 7% to 12%).

There are no restrictions on titles and liabilities for investment property.

REVENUE AND EXPENSE FROM INVESTMENT PROPERTY	Council and Group Actual \$ 30 June 2019 \$000	Council and Group Actual \$ 30 June 2018 \$000
Rental revenue	583	562
Direct operating expenses from investment property generating revenue	(133)	(150)
Direct operating expenses from investment property not generating revenue	-	-
Contractual obligations for capital expenditure	-	-
Contractual obligations for operating expenditure	-	-
Surplus/(deficit) from investment property	450	412

15. PAYABLES AND DEFERRED REVENUE	Note	Council Actual \$ 30 June 2019 \$000	Council Actual \$ 30 June 2018 \$000	Group Actual \$ 30 June 2019 \$000	Group Actual \$ 30 June 2018 \$000
Trade payables		5,121	6,998	5,124	6,998
Amounts due to related parties	24	-	9	-	-
Deposits and bonds		690	636	690	636
Accrued expenses		1,359	1,304	1,359	1,304
Rates and other revenue in advance		970	865	970	865
Rates instalment		-	-	-	-
Other		670	552	670	552
Term deposit held for Shannon Community Trust		350	350	-	-
Total payables and deferred revenue		9,160	10,718	8,813	10,359
Exchange transactions		8,367	9,944	8,020	9,585
Non exchange transactions		793	774	793	774
Total payables and deferred revenue transactions		9,160	10,718	8,813	10,359

Trade and other payables are non-interest bearing and are normally settled on 30-day terms, therefore the carrying value of trade and other payables approximates their fair value.

16. PROVISIONS	Council and Group Actual \$ 30 June 2019 \$000	Council and Group Actual \$ 30 June 2018 \$000
Current provisions are represented by:		
Landfill aftercare	30	110
Total current provisions	30	110
Non-current provisions are represented by:		
Landfill aftercare	6,216	3,433
Total non-current provisions	6,219	3,433
Total provisions	6,246	3,543
Landfill aftercare		
Opening balance	3,543	3,401
Additional provisions made during the year	2,703	142
Unwinding of discount	-	-
Amounts used during the year	-	-
Closing landfill aftercare balance	6,246	3,543

Provision for financial guarantee

Horowhenua District Council is listed as sole guarantor to a community organisation's bank loan. Under this guarantee Horowhenua District Council is obligated to make loan payments in the event the organisation defaults on a loan arrangement. The exercising of guarantees will be dependent upon the financial stability of the community organisation, which will vary over time; it is not considered to be necessary to make any provision as at 30 June 2019 (30 June 2018: \$Nil). Refer to Note 23.

Provision for landfill aftercare costs

Horowhenua District Council gained resource consent in 2002 to operate a landfill near Levin. Horowhenua District Council has responsibility under the resource consent to provide ongoing maintenance and monitoring of the landfill after the site is closed.

Cash outflows for landfill post-closure costs are already being incurred for closed cells, and will increase as each current and future cell is closed. The long-term nature of the liability means that there are inherent uncertainties in estimating costs that will be incurred. The provision has been estimated taking into account existing technology and using a discount rates ranging from 1.68% to 3.77% (2018: 1.78% to 3.95%). The inflation factor used is the Treasury's CPI assumption with rates ranging from 1.52% to 2.00% (2018: 1.70% to 2.00%).

The management of the landfill will influence the timing of recognition of some liabilities – for example a liability relating to each cell will only be created when that cell is commissioned and when refuse begins to accumulate in the cell.

The provision was estimated by P Landmark of Montgomery Watson as at 30 June 2019 (2018: P. Landmark of Montgomery Watson).

Assumptions have been made that additional remediation, including clay capping, is required and that environmental monitoring will be increased. It has also been assumed that pumping operations will need to continue for a period of at least 30 years after the closure of the landfill and that post closure costs have been assumed from information presented in the MFE Closed Landfills Guideline.

The remaining capacity of the consented landfill is approximately 521,780 cubic meters (2018: 538,000) (comprising: refuse, clean fill and cover).

The estimated remaining life is approximately 14 years (2018: 18 years).

17. EMPLOYMENT BENEFIT LIABILITIES	Council Actual \$ 30 June 2019 \$000	Council Actual \$ 30 June 2018 \$000	Group Actual \$ 30 June 2019 \$000	Group Actual \$ 30 June 2018 \$000
Accrued pay	0	-	0	-
Annual leave	899	723	899	723
Long service leave	167	137	167	137
Retirement gratuities	0	-	0	-
Total employee benefit liabilities	1,066	860	1,066	860
Comprising:				
Current	899	723	899	723
Non-current	167	137	167	137
Total employee benefit liabilities	1,066	860	1,066	860

Long service leave assumptions

Long service leave is calculated based on the probability of individual staff members reaching the long service leave milestones.

18. BORROWINGS	Council Actual \$ 30 June 2019 \$000	Council Actual \$ 30 June 2018 \$000	Group Actual \$ 30 June 2019 \$000	Group Actual \$ 30 June 2018 \$000
Current				
Bank overdraft	0	-	-	-
Secured loans	20,000	20,000	20,000	20,000
Total current borrowings	20,000	20,000	20,000	20,000
Non-current				
Secured loans	76,000	60,000	76,000	60,000
Total non-current borrowings	76,000	60,000	76,000	60,000
Total borrowings	96,000	80,000	96,000	80,000

Horowhenua District Council manages its borrowings in accordance with its funding and financial policies, including a liability management policy, which has been adopted as part of Horowhenua District Council's LTP.

Fixed rate debt

Horowhenua District Council's secured debt of \$63,000,000 (2018: \$57,000,000) is issued at rates of interest fixed at time of issue.

Floating rate debt

Horowhenua District Council has \$33,000,000 on current floating rate (2018: \$23,000,000). The interest rate is reset quarterly based on the 90 day bill rate plus a margin for credit risk.

Overdraft

Horowhenua District Council no longer has a bank overdraft facility (2018: Nil).

Committed cash advance facility

Horowhenua District Council has a CCAF (Committed Cash Advance Facility) of \$10 Million.

Credit card

Horowhenua District Council has a \$20,000 (2018: \$20,000) MasterCard facility.

Security

All HDC's secured loans are secured under the terms of the Debenture Trust Deed between HDC and Foundation Corporate Trust as Trustee. Security is by a charge over the Council's ability to levy rates in favour of the Trustee. Pursuant to the Debenture Trust Deed, HDC has issued to its bankers security certificates totalling \$126.3m to secure the various bank loan facilities and guarantees issued on behalf of HDC and other general banking facilities. An additional \$9,840m of security certificates have been issued as part of the LGFA agreement to jointly secure debt issues with other shareholding Councils.

The following is a maturity analysis of Horowhenua District Council's borrowings. There are no early repayment options.

Council and Group	Secured Loans Actual \$ 30 June 2019 \$000	Secured Loans Actual \$ 30 June 2018 \$000	Bank Overdraft Actual \$ 30 June 2019 \$000	Bank Overdraft Actual \$ 30 June 2018 \$000
Less than one year	20,000	20,000	-	-
Effective weighted average interest rate	2.02%	3.64%	-	-
Later than one year but not more than five years	52,000	37,000	-	-
Effective weighted average interest rate	4.02%	4.05%	-	-
Later than five years	24,000	23,000	-	-
Effective weighted average interest rate	4.02%	4.53%	-	-
Total borrowing	96,000	80,000	-	-

Fair value of borrowings

The carrying amounts and the fair values of borrowings are as follows:

Council and Group	Carrying amounts		Fair values	
	Actual \$	Actual \$	Actual \$	Actual \$
	30 June	30 June	30 June	30 June
	2019	2018	2019	2018
	\$000	\$000	\$000	\$000
Secured Loans	96,000	80,000	96,000	80,000
Total borrowing	96,000	80,000	96,000	80,000

The carrying amounts of borrowings repayable within one year approximate their fair value. The fair values are based on cash flow using a rate based on the weighted average borrowing rates ranging from 1.68% to 5.9852% (2018: 1.98% to 5.985%).

Internal borrowings

Information about internal borrowing per activity is provided on the activity funding impact statements on pages 93-188.

LGFA COVENANT COMPLIANCE	Council limits	LGFA lending policy	Actual 30 June 2019	Actual 30 June 2018
Net debt to total operating revenue	< 195%	< 250%	164%	142%
Net interest to total operating revenue	< 20%	< 20%	6%	6%
Net interest to annual rates revenue	< 25%	< 25%	8%	8%
Available financial accommodation to external indebtedness	> 110%	> 110%	111%	113%

The net debt to total operating revenue Council limit and LGFA lending policy limit are different because a 175% limit is for Councils without a credit rating and the 250% limit are for Councils that do. Council has reset its limit to 195% in the 2018/38 LTP and has an A+ credit rating from Standard and Poors

19. DERIVATIVE FINANCIAL INSTRUMENTS	Council Actual \$ 30 June 2019 \$000	Council Actual \$ 30 June 2018 \$000	Group Actual \$ 30 June 2019 \$000	Group Actual \$ 30 June 2018 \$000
Current liability				
Interest rate swaps – cashflow hedges	378	-	378	-
Non-current liability				
Interest rate swaps – cashflow hedges	1,819	1,222	1,819	1,222
Total derivative financial instrument liability	2,197	1,222	2,197	1,222
Gain or loss on derivative financial instruments				
Opening balance	1,222	1,038	1,222	1,038
Closing balance	2,197	1,222	2,197	1,222
Derivative gain/(loss)	(975)	(184)	(975)	(184)

Fair value

The fair value of interest rate swaps have been derived using a discounted cash flows valuation technique based on quoted market prices.

Interest rate swaps

The notional principal amounts of the outstanding interest rate swap contracts for Horowhenua District Council were \$7m, \$4m, \$8m and \$7m (2018: \$7m and \$4m) and for the Horowhenua District Council Group were \$26m (2018: \$11m). At 30 June 2019, the fixed interest rate of the cash flow hedge interest rate swaps were 4.75%, 4.015%, 2.15% and 2.25% respectively (2018: 4.75% and 4.015%).

20. OTHER NON-CURRENT LIABILITIES	Council	Council	Group	Group
	Actual \$	Actual \$	Actual \$	Actual \$
	30 June	30 June	30 June	30 June
	2019	2018	2019	2018
	\$000	\$000	\$000	\$000
Development contributions	0	-	0	-
LGFA amortisations reserves	177	285	177	285
Total other non-current liabilities	177	285	177	285

21. EQUITY	Council	Council	Group	Group
	Actual \$	Actual \$	Actual \$	Actual \$
	30 June	30 June	30 June	30 June
	2019	2018	2019	2018
	\$000	\$000	\$000	\$000
Retained earnings				
As at 1 July	256,774	263,895	257,146	264,262
Transfers to:				
Special funds	(593)	(1,633)	(593)	(1,633)
Transfers from:				
Special funds	280	953	280	953
Asset revaluation reserve on disposals	-	(4,290)	-	(4,290)
Surplus/(deficit) for the year	(7,048)	(2,150)	(7,050)	(2,146)
As at 30 June	249,413	256,775	249,783	257,146
Other reserve funds (refer to separate schedule on page 20)				
As at 1 July	9,099	8,419	9,099	8,419
Transfers to:				
Retained earnings	(280)	(953)	(280)	(953)
Transfers from:				
Retained earnings	593	1,633	593	1,633
As at 30 June	9,412	9,099	9,412	9,099
Asset revaluation reserves				
As at 1 July	201,312	189,230	201,312	189,230
Revaluation gains/(losses)	1,076	7,792	1,076	7,792
Transfers to:				
Retained earnings on disposal of property, plant and equipment	-	4,290	-	4,290
As at 30 June	202,388	201,312	202,388	201,312
Asset revaluation reserves consist of:				
Operational assets				
Land and Buildings	11,137	11,137	11,137	11,137
Infrastructural assets				
Sewerage system	48,967	46,928	48,967	46,928
Water system	34,212	33,341	34,212	33,341
Stormwater drainage system	20,896	22,735	20,896	22,735
Solid waste	954	954	954	954
Roading network	70,398	70,392	70,398	70,392
Restricted assets				
Cemeteries	235	235	235	235
Parks and reserves	12,860	12,860	12,860	12,860
Endowment property	2,730	2,730	2,730	2,730
Total asset revaluation reserves	202,389	201,312	202,389	201,312
Total equity	461,213	467,186	461,583	467,557

Refer to reserve funds statement, pages 20-23, for details on restricted reserves and Council created reserve funds

The revaluation amounts calculated are net of impairment, which is the cost to bring the earthquake prone buildings up to standard. Land and buildings asset class had \$620,000 of impairment and parks and reserves had \$388,000.

22. CAPITAL COMMITMENTS AND OPERATING LEASES	Council	Council	Group	Group
	Actual \$	Actual \$	Actual \$	Actual \$
	30 June	30 June	30 June	30 June
	2019	2018	2019	2018
	\$000	\$000	\$000	\$000
PPE capital commitments				
Wastewater treatment		304		304
Water treatment		19		19
Wastewater other				
Water other				
Stormwater		262		262
Buildings				
Parks				
Total PPE capital commitments		585		585

Refer to Note 14 for capital commitments for investment properties.

Operating leases as lessee

Horowhenua District Council leases property, plant and equipment in the normal course of its business. The majority of these leases have a non-cancellable term of 36 months. The future aggregate minimum lease payments to be collected under non-cancellable operating leases are as follows:

OPERATING LEASES AS LESSEE	Council	Council	Group	Group
	Actual \$	Actual \$	Actual \$	Actual \$
	30 June	30 June	30 June	30 June
	2019	2018	2019	2018
	\$000	\$000	\$000	\$000
Non-cancellable operating leases as lessee				
Less than one year		175		175
Later than one year but not more than five years		333		333
Later than five years		-		-
Total non-cancellable operating leases		508		508

Leases can be renewed at Horowhenua District Council's option, with rents set by reference to current market rates of equivalent age and condition. Horowhenua District Council does have the option to purchase the asset at the end of the lease term.

There are no restrictions placed on Horowhenua District Council by any of the leasing arrangements.

Operating leases as lessor

Horowhenua District Council leases its investment properties, Foxton Beach endowment land and other property under operating leases. The majority of the investment and endowment property leases are leases in perpetuity and therefore non-cancellable; the majority of the other leases are cancellable. The future aggregate minimum lease payments to be collected under non-cancellable operating leases are as follows:

OPERATING LEASES AS LESSOR	Council	Council	Group	Group
	Actual \$	Actual \$	Actual \$	Actual \$
	30 June	30 June	30 June	30 June
	2019	2018	2019	2018
	\$000	\$000	\$000	\$000
Non-cancellable operating leases as lessor				
Less than one year		815		815
Later than one year but not more than five years		1,765		1,765
Later than five years		1,911		1,911
Total non-cancellable operating leases		4,491		4,491

Figures for later than five years are impracticable because most of the leases are in perpetuity. The total annual lease amounts are expected to be at least those indicated above.

No contingent rents have been recognised in the statement of financial performance during the period.

23. CONTINGENCIES	Council Actual \$ 30 June 2019 \$000	Council Actual \$ 30 June 2018 \$000	Group Actual \$ 30 June 2019 \$000	Group Actual \$ 30 June 2018 \$000
Guarantees	5,219	5,219	5,219	5,219
Government grant	-	-	-	-
Total contingencies	5,219	5,219	5,219	5,219

Guarantees

The value of guarantees disclosed as contingent liabilities reflects Horowhenua District Council's assessment of the undiscounted portion of financial guarantees that are not recognised in the statement of financial position. See Note 16 Provisions, for information on recognised financial guarantees.

A condition of the sale of residential housing to Sisters of Compassion was that the suspensory loan will transfer to Sisters of Compassion but Council will issue security stock as guarantee for the loan. The maximum financial exposure the Council is open to is \$5.219m. The loan previously guaranteed by Council has been repaid and therefore no longer a contingent liability.

Contingent liability

Horowhenua District Council obtained public liability and professional indemnity insurance cover from New Zealand Mutual Liability Risk Pool. The Council has now withdrawn from the Risk Pool but still has insurance cover via an insurance broker. Risk Pool operates as a mutual fund where each member makes an annual contribution to obtain cover; however should claims exceed contributions then calls can be made on the members of that fund year for the shortfall amount. Risk Pool have advised that further calls may be made to the Council for past pool periods. Horowhenua District Council has budgeted monies in its current LTP to cover these calls.

Council has several ongoing legal proceedings. The outcome of these remains uncertain at the end of the reporting period. The maximum financial exposure is anticipated to be less than \$220,000.

Horowhenua District Council is a guarantor of the New Zealand Local Government Funding Agency Limited (NZLGFA). The NZLGFA was incorporated in December 2011 with the purpose of providing debt funding to local authorities in New Zealand and it has a current credit rating from Standard and Poor's of AA+.

Horowhenua District Council is one of 31 local authority shareholders and 8 local authority guarantors of the NZLGFA. In that regard it has uncalled capital of \$100k. When aggregated with the uncalled capital of other shareholders, \$20m is available in the event that an imminent default is identified. Also, together with the other shareholders and guarantors, Horowhenua District Council is a guarantor of all of NZLGFA's borrowings. At 30 June 2019, NZLGFA had borrowings totalling \$9,531m (2018: \$8,272m).

Financial reporting standards require Horowhenua District Council to recognise the guarantee liability at fair value. However, the Council has been unable to determine a sufficiently reliable fair value for the guarantee, and therefore has not recognised a liability. The Council considers the risk of NZLGFA defaulting on repayment of interest or capital to be very low on the basis that:

- We are not aware of any local authority debt default events in New Zealand; and
- Local government legislation would enable local authorities to levy a rate to recover sufficient funds to meet any debt obligations if further funds were required.

The leases for Waitāre Beach Motor Camp and Levin Holiday Park include provisions for Council to buy-back the lessee's fixtures and improvements in certain circumstances totalling \$945,000. This estimate has been based on district rating valuations.

Personal grievances claims, represents amounts claimed by employees for personal grievances cases. There were 2 personal grievances claims (2018: 2 personal grievances claims).

Building Act claims

The Building Act of 2004 imposes certain obligation and liabilities on local authorities in respect to the issue of building consents and inspections of work done.

Horowhenua District Council has two live claims with the Weathertight Homes Resolution Service (WHRS claim 07547, and 07477). These claims have been accepted as valid and will be liable for 25% of the value of repairs. As at 30 June 2019 claim 07547 Council's liability is \$58,052. Horowhenua District Council is not expected to be covered under its insurance policies. Horowhenua District Council is also exposed to potential claims which have not been advised. The amount of these claims and any potential liability are not able to be reliably measured and are therefore not quantifiable.

Contingent assets

Third parties including sports clubs and community groups are able to construct facilities (e.g. club rooms) on Horowhenua District Council owned land. The third parties control the use of these facilities and Horowhenua District Council will only gain control of the asset if the third party vacates the facility. Unless, and until, such event occurs these assets are not recognised as assets in the statement of financial position. As at 30 June 2019 there were 24 facilities having an approximate value of \$18.70m (2018: 24 facilities, \$18.70m). This estimate has been based on district rating valuations.

Horowhenua District Council also has a contingent asset in the land sold to the Foxton Medical Trust, which, should the Foxton Medical Trust sell the land, Council will receive the market value at the time of transfer.

24. RELATED PARTY TRANSACTIONS

Manawatū/Whanganui Local Authorities Shared Services Limited (MWLASS)

This company was set up in 2008 by seven local councils to investigate the possibilities of economies of scale by joint procurement.

To date there has been one call on share capital and the company is now trading. Horowhenua District Council owns one seventh or 14% of this company and has a \$16,000 share capital.

The Company is considered to be a council controlled organisation under the Local Government Act 2002 but the member councils have resolved that it is exempt for the purposes of Section 6(4)(i) of that Act for 2018/19 and 2017/18.

RELATED PARTY TRANSACTIONS	Council Actual \$ 30 June 2019 \$000	Council Actual \$ 30 June 2018 \$000
Manawatū/Whanganui Local Authorities Shared Services Limited		
E-Road hardware	4	11
Regional archives	60	58
Regional ISSP	-	-
Acuity database expenses	6	6
Debt collection process	-	-
Collaborative portal	4	7
Health & safety project	13	40
Online economic profiles subscription	13	13
Total MWLASS related party transactions	100	135

Shannon Community Development Trust

The Council holds \$350,000 on deposit on behalf of the Shannon Community Development Trust.

Key management personnel

During the year key management personnel (the Mayor, Councillors and senior managers) were involved in minor transactions with Horowhenua District Council (e.g. payment of rates, purchase of rubbish bags, and registration of dogs) as part of a normal customer relationship. While the following transactions that were conducted with key management personnel were on normal commercial terms are not required to disclose they have been for transparency.

TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL	Council Actual \$ 30 June 2019 \$000	Council Actual \$ 30 June 2018 \$000
Taitoko Ltd (in which Cr Piri Hira Tukapua is a shareholder / director)	0	1
Brady Electrical and Control Ltd (in which Nicki Brady is a shareholder / director)	1	1
Total transactions with key management personnel	1	2

No provision has been required, nor any expense recognised, for impairment of receivables for any related party (2018: \$Nil).

Foxton Beach Community Board members

The following transactions were carried out with related parties were within normal supplier or client/recipient relationship on normal terms and conditions:

RELATED PARTY TRANSACTIONS	Council Actual \$ 30 June 2019 \$000	Council Actual \$ 30 June 2018 \$000
Foxton Beach Community Board members		
Roaches Concrete Products Ltd (in which David Roache is a shareholder / director)	-	18
Total transactions with Foxton Beach Community Board members	-	18

KEY MANAGEMENT PERSONNEL COMPENSATION	Council Actual \$ 30 June 2019	Council Actual \$ 30 June 2018
Remuneration		
Councillors	410,902	384,545
Senior management team, including the Chief Executive	1,260,000	1,499,174
Total key management personnel remuneration	1,670,902	1,883,718
Full-time equivalent key management personnel		
Councillors*	11	11
Senior management team, including the Chief Executive	7	7.7
Total full-time equivalent key management personnel	18	18.8

*Due to the difficulty in determining the full-time equivalent for councillors, the full-time equivalent figure is taken as the number of councillors

25. REMUNERATION	Council Actual \$ 30 June 2019	Council Actual \$ 30 June 2018
Chief Executive		
Salary	316,605	326,124
Vehicle (FBT)	12,200	11,738
Total Chief Executive remuneration	328,805	337,862
Elected representatives		
Mayor		
M Feyen	109,494	102,992
Councillors:		
W Bishop	39,105	36,516
R Brannigan	27,797	25,957
R Campbell	27,797	25,957
N Gimblett	30,856	28,813
B Judd	30,856	28,813
V Kaye-Simmons	27,797	25,957
J Mason	33,809	31,669
C Mitchell	27,797	25,957
P H Tukapua	27,797	25,957
B Wanden	27,797	25,957
Total elected representatives remuneration	410,902	384,545
Foxton Beach Community Board		
D Roache (Chair)	12,273	12,092
D Allan	6,137	6,046
J Girling	6,137	6,046
J Lundie	6,137	6,046
P Metcalf	6,137	6,046
Total Foxton Beach Community Board remuneration	36,821	36,276
Council employees		
Total annual remuneration by band		
<60,000	128	143
\$60,000 - \$79,999	48	44
\$80,000 - \$99,999	30	25
\$100,000 - \$119,999	12	10
\$120,000 - \$179,999	3	6
\$180,000 - \$339,999	7	3
Total Council employee remuneration	228	231

At balance date, the Council employed 149 (2018: 132) full-time employees, with the balance of staff representing 43 (2018: 53) full-time equivalent employees. A full-time employee is determined on the bases of a 40-hour working week.

26. SEVERANCE PAYMENTS

For the year ended 30 June 2019 Horowhenua District Council made two severance payments to employees totalling \$133,791 (2018: \$32,500). The value of each severance payment was \$87,891 and \$45,900 (2018: \$10,000, \$10,000, \$12,500).

27. EVENTS AFTER THE BALANCE SHEET DATE

There were no events after the balance date.

28. FINANCIAL INSTRUMENTS

28a. FINANCIAL INSTRUMENT CATEGORIES		Council Actual \$ 30 June 2019 \$000	Council Actual \$ 30 June 2018 \$000	Group Actual \$ 30 June 2019 \$000	Group Actual \$ 30 June 2018 \$000
	Note				
Financial assets					
Loans and receivables					
Cash and cash equivalents	7	8,481	960	8,499	971
Debtors and other receivables	8	5,947	5,567	5,947	5,567
Other financial assets:					
- Term deposits	9	350	5,350	350	5,350
- Community loan	9	74	81	74	81
Total loans and receivables		14,852	11,958	14,870	11,969
Fair value through other comprehensive revenue and expense					
Unlisted shares in NZLGIC Limited	9	104	104	104	104
Unlisted shares in MWLASS	9	16	16	16	16
Unlisted shares in LGFA	9	100	100	100	100
LGFA borrowers notes	9	1,506	1,298	1,506	1,298
Total fair value through other comprehensive revenue and expense		1,726	1,518	1,726	1,726
Total financial assets		16,578	13,476	16,596	13,487
Financial Liabilities					
Fair Value through surplus or deficit – held for trading					
Derivative financial instrument liabilities	19	2,197	1,222	2,197	1,222
Financial liabilities at amortised cost					
Creditors and other payables	15	9,160	10,718	8,813	10,359
Borrowings:					
- bank overdraft	7	-	-	-	-
- secured loans	18	96,000	80,000	96,000	80,000
Total financial liabilities at amortised cost		105,160	90,718	104,813	90,359
Total financial liabilities		107,357	91,940	107,010	91,581

28b. FINANCIAL INSTRUMENT RISK

Horowhenua District Council has a series of policies to manage the risks associated with financial instruments. Horowhenua District Council is risk averse and seeks to minimise exposure from its Treasury activities. Horowhenua District Council has established Council approved liability management and investment policies. These policies do not allow any transactions that are speculative in nature to be entered into.

28c. FAIR VALUE HIERARCHY DISCLOSURES

For those instruments recognised at fair value in the statement of financial position, fair values are determined according to the following hierarchy:

- Quoted market price (level 1) – Financial instruments with quoted prices for identical instruments in active markets.
- Valuation technique using observable inputs (level 2) – Financial instruments with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable
- Valuation techniques with significant non-observable inputs (level 3) – Financial instruments valued using models where one or more significant inputs are not observable.

The following table analyses the basis of the valuation of classes of financial instruments measure at fair value in the statement of financial position:

	Total \$000	Quoted market price \$000	Observable inputs \$000	Significant non- observable inputs \$000
Council 2019				
Financial assets				
Shares	220	-	-	220
LGFA borrower notes	1,506	-	-	1,506
Financial liabilities				
Swap derivatives	2,197	-	2,197	-
Group 2019				
Financial assets				
Shares	220	-	-	220
LGFA borrower notes	1,506	-	-	1,506
Financial liabilities				
Swap derivatives	2,197	-	2,197	-
Council 2018				
Financial assets				
Shares	220	-	-	220
LGFA borrower notes	1,298	-	-	1,298
Financial liabilities				
Swap derivatives	1,222	-	1,222	-
Group 2018				
Financial assets				
Shares	220	-	-	220
LGFA borrower notes	1,298	-	-	1,298
Financial liabilities				
Swap derivatives	1,222	-	1,222	-

Market Risk

Price risk

Price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices. Horowhenua District Council is exposed to equity securities price risk on its investments, which are classified as financial assets held at fair value through equity. This price risk arises due to movements in fair value of unlisted securities. This price risk is managed by a prohibition of further share investment in Horowhenua District Council's Investment Policy.

Horowhenua District Council holds unlisted equity instruments in Civic Financial Services Limited, which are not publicly traded. If the fair value of the shares had moved plus or minus 5%, the effect would have been to increase/decrease the fair value through equity reserve by \$5,200 (2018: \$5,200).

Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Horowhenua District Council is not exposed to currency risk, as it does not enter into foreign currency transactions.

Interest rate risk

The interest rates on Horowhenua District Council's investments are disclosed in Note 9 and on Horowhenua District Council's borrowings in Note 18.

Fair value interest rate risk

Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. Borrowing issued at fixed rates exposes the Horowhenua District Council to fair value interest rate risk. Horowhenua District Council's liability management policy outlines the level of borrowing that is to be secured using fixed rate instruments. Fixed to floating interest rate swaps are entered into to hedge the fair value interest rate risk arising where Horowhenua District Council has borrowed at fixed rates. In addition, investments at fixed interest rates expose the Horowhenua District Council to fair value interest rate risk.

Cash flow interest rate risk

Cash flow interest rate risk is the risk that the cash flows from a financial instrument will fluctuate because of changes in market interest rates. Borrowings and investments issued at variable interest rates expose Horowhenua District Council to cash flow interest rate risk.

Horowhenua District Council manages its cash flow interest rate risk on borrowings by borrowing at fixed rates.

Credit risk

Credit risk is the risk that a third party will default on its obligation to Horowhenua District Council, causing Horowhenua District Council to incur a loss. Horowhenua District Council has no significant concentrations of credit risk, as it has a large number of credit customers, mainly ratepayers, and Horowhenua District Council has powers under the Local Government (Rating) Act 2002 to recover outstanding debts from ratepayers.

The Council is exposed to credit risk as a guarantor of all of LGFA's borrowings. Information about this exposure is explained in Note 23.

Horowhenua District Council invests funds only in government-guaranteed instruments, deposits with registered banks and local authority stock and its Investment Policy limits the amount of credit exposure to any one institution or organisation. Investments in other local authorities are secured by charges over rates. Accordingly, the Group does not require any collateral or security to support these financial instruments.

Maximum exposure to credit risk

Horowhenua District Council's maximum credit exposure for each class of financial instrument is as follows:

MAXIMUM EXPOSURE TO CREDIT RISK	Note	Council Actual \$ 30 June 2019 \$000	Council Actual \$ 30 June 2018 \$000	Group Actual \$ 30 June 2019 \$000	Group Actual \$ 30 June 2018 \$000
Cash at bank and term deposits	7	8,831	6,310	8,849	6,321
Debtors and other receivables	8	5,947	6,354	5,947	6,354
Total credit risk		14,778	12,664	14,796	12,675

Credit quality of financial assets

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to Standard and Poor's credit ratings (or similar, if available) or to historical information about contemporary default rates:

COUNTERPARTIES WITH CREDIT RATINGS	Note	Council Actual \$ 30 June 2019 \$000	Council Actual \$ 30 June 2018 \$000	Group Actual \$ 30 June 2019 \$000	Group Actual \$ 30 June 2018 \$000
Cash at bank and term deposits:					
AA-	7	8,831	6,310	8,842	6,321
Total cash at bank and term deposits		8,831	6,310	8,842	6,321

Debtors and other receivables mainly arise from Horowhenua District Council's statutory functions, therefore there are no procedures in place to monitor or report the quality of debtors and other receivables with reference to internal or external credit ratings. Horowhenua District Council has no significant concentrations of credit risk in relation to debtors and other receivables as it has a large number of credit customers, mainly ratepayers, and has powers under the Local Government (Rating) Act 2002 to recover outstanding debts from ratepayers.

Liquidity Risk

Management of liquidity risk

Liquidity risk is the risk that Horowhenua District Council will encounter difficulty raising liquid funds to meet commitments as they fall due. Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Horowhenua District Council aims to maintain flexibility in funding by keeping committed credit lines available.

In meeting its liquidity requirements, Horowhenua District Council maintains a target level of investments that must mature within the next 12 months.

Horowhenua District Council manages its borrowings in accordance with its funding and financial policies, which includes a liability management policy. These policies have been adopted as part of the Horowhenua District Council's LTP.

The maturity profiles of the Horowhenua District Council's interest bearing investments and borrowings are disclosed in Notes 9 and 18 respectively.

The Council is exposed to liquidity risk as a guarantor of all of LGFA's borrowings. This guarantee becomes callable in the event of the LGFA failing to pay its borrowings when they fall due. Information about this exposure is explained in Note 23.

Contractual maturity analysis of financial liabilities

The table below analyses Horowhenua District Council's financial liabilities into relevant maturity groupings based on the remaining period at the balance date to the contractual maturity date. Future interest rate payments on floating rate debt are based on the floating rate on the instrument at the balance date. The amounts disclosed are the contractual undiscounted cash flows.

Council 2019	Note	Carrying Amount \$000	Contractual Cash Flow \$000	<1 Year \$000	1-2 Years \$000	2-5 Years \$000	>5 Years \$000
Creditors and other payables	15	9,160	9,160	9,160	-	-	-
Secured loans	18	96,000	106,557	20,211	20,709	36,839	28,798
Swap derivatives	19	2,197	2,195	328	345	1,254	268
Total		107,357	117,912	29,699	21,054	38,093	29,066
Group 2019							
Creditors and other payables	15	8,813	8,813	8,813	-	-	-
Secured loans	18	96,000	106,557	20,211	20,709	36,839	28,798
Swap derivatives	19	2,197	2,195	328	345	1,254	268
Total		107,010	117,565	29,352	21,054	38,093	29,066
Council 2018							
Creditors and other payables	15	10,718	10,718	10,718	-	-	-
Secured loans	18	80,000	90,331	20,391	5,233	36,636	28,072
Swap derivatives	19	1,222	1,222	267	243	523	188
Total		91,940	102,271	31,376	5,476	37,159	28,260
Group 2018							
Creditors and other payables	15	10,359	10,359	10,359	-	-	-
Secured loans	18	80,000	90,331	20,391	5,233	36,636	28,072
Swap derivatives	19	1,222	1,222	267	243	523	188
Total		91,581	101,912	31,017	5,476	37,159	28,260

Contractual maturity analysis of financial assets

The table below analyses Horowhenua District Council's financial assets into relevant maturity groupings based on the remaining period at the balance date to the contractual maturity date.

	Note	Carrying Amount \$000	Contractual Cash Flow \$000	<1 Year \$000	1-2 Years \$000	2-5 Years \$000	>5 Years \$000
Council 2019							
Cash and cash equivalents	7	8,481	8,481	8,481	-	-	-
Debtors and other receivables	8	5,947	5,947	5,947	-	-	-
Other financial assets:							
Term deposits	9	350	356	-	-	-	-
Community loan	9	74	100	20	20	30	30
Total		14,852	14,884	14,804	20	30	30
Group 2019							
Cash and cash equivalents	7	11,998	11,998	11,998	-	-	-
Debtors and other receivables	8	5,947	5,947	5,947	-	-	-
Other financial assets:							
Term deposits	9	350	356	356	-	-	-
Community loan	9	74	100	20	20	30	30
Total		18,369	18,401	18,321	20	30	30
Council 2018							
Cash and cash equivalents	7	960	960	960	-	-	-
Debtors and other receivables	8	5,567	5,567	5,567	-	-	-
Other financial assets:							
Term deposits	9	5,350	5,413	5,413	-	-	-
Community loan	9	81	100	10	20	30	40
Total		11,958	12,040	11,950	20	30	40
Group 2018							
Cash and cash equivalents	7	971	971	971	-	-	-
Debtors and other receivables	8	5,567	5,567	5,567	-	-	-
Other financial assets:							
Term deposits	9	5,350	5,413	5,413	-	-	-
Community loan	9	81	100	10	20	30	40
Total		11,969	12,051	11,961	20	30	40

Sensitivity analysis

The tables below illustrate the potential profit and loss (excluding retained earnings) for reasonably possible market movements, with all other variables held constant, based on Horowhenua District Council's financial instrument exposures at the balance date.

INTEREST RATE RISK	Council & Group 30 June 2019 -100bps	Council & Group 30 June 2019 +100bps	Council & Group 30 June 2018 -100bps	Council & Group 30 June 2018 +100bps
Financial assets				
Cash and cash equivalents	(85)	85	(10)	10
Financial liabilities				
Borrowings	440	(440)	230	(230)

Cash and cash equivalents include deposits at call totalling \$8,481,000 (2018: \$960,000) which are at floating rates. A movement of interest rates of plus or minus 1% has an effect on interest revenue of \$84,810 (2018: \$9,600).

Borrowings include total debt of \$44,000,000 (2018: \$23,000,000) on current floating rates.

29. BUDGETS FOR YEAR ENDED 30 June 2019

Budgets are as per the 2018/38 long term plan year 1, 2018/19.

30. EXPLANATION OF MAJOR VARIANCES AGAINST BUDGET

Explanations on major variances against budget are disclosed within these financial statements and funding impact statements.

31. FINANCE LEASES

Council does not have any finance leases (2018: \$Nil).

32. RECONCILIATION OF SURPLUS WITH CASH FLOWS FROM OPERATING ACTIVITIES	Council Actual \$ 30 June 2019 \$000	Council Actual \$ 30 June 2018 \$000	Group Actual \$ 30 June 2019 \$000	Group Actual \$ 30 June 2018 \$000
Surplus (deficit)	(7,048)	(2,150)	(7,050)	(2,146)
Add/(less) non-cash items:				
Depreciation and amortisation	14,350	13,860	14,350	13,860
Other including vested and donated assets	(453)	(203)	(453)	(203)
Net gains and losses and other non-current movements	3,503	1,822	3,503	1,822
Impairment of non-current assets	-	-	-	-
Add/(less) movements in working capital:				
Increase/(decrease) in accounts receivable	(380)	1,213	(386)	1,209
Increase/(decrease) in stock on hand	-	-	-	-
Increase/(decrease) in current liabilities	(26)	(476)	(11)	(491)
Net cash flows from operating activities	9,946	14,066	9,953	14,051

33. CAPITAL MANAGEMENT

The Council's capital is its equity (or ratepayers' funds), which comprise retained earnings and reserves. Equity is represented by net assets.

The Local Government Act 2002 (the Act) requires the Council to manage its revenues, expenses, assets, liabilities, investments and general financial dealings prudently and in a manner that promotes the current and future interests of the community. Ratepayers' funds are largely managed as a by-product of managing revenues, expenses, assets, liabilities, investments and general financial dealings.

The objective of managing these items is to achieve intergenerational equity, which is a principle promoted by the Act and applied by the Council. Intergenerational equity requires today's ratepayers to meet the costs of utilising the Council's assets and not expecting them to meet the full cost of long-term assets that will benefit ratepayers in future generations. Additionally, the Council has in place asset management plans for major classes of assets detailing renewal and maintenance programmes, to ensure ratepayers in future generations are not required to meet the costs of deferred renewals and maintenance.

The Act requires Council to make adequate and effective provision in its LTP and its annual plan (where applicable) to meet the expenditure needs identified in those plans and the Act sets out the factors that the Council is required to consider when determining the most appropriate sources of funding for each of its activities. The sources and levels of funding are set out in the financial policies in the Council's LTP.

Horowhenua District Council has the following Council-created reserves:

- reserves for different types of rates;
- reserves for the repayment of loans;
- depreciation funds.

Refer to pages 20- 23 for Council created reserves.

34. DEPRECIATION AND AMORTISATION EXPENSE BY GROUP OF ACTIVITY	Council Actual \$ 30 June 2019 \$000	Council Actual \$ 30 June 2018 \$000
Community support	6	15
Environmental services	65	75
Community facilities & services	1,572	1,478
Property	255	231
Roading	5,009	4,998
Solid waste	310	310
Stormwater	638	620
Wastewater	3,218	3,119
Water supply	2,668	2,558
Council operating assets	609	456
Total	14,350	13,860

35. INSURANCE OF ASSETS	Council Actual \$ 30 June 2019 \$000	Council Actual \$ 30 June 2018 \$000
Total value of assets covered by insurance contracts		127,304
Maximum amount of insurance		174,350
Total value of assets covered by financial risk sharing arrangements		155,374
Maximum amount available under those arrangements		308,270
Total value of assets that are self-insured		265,122
The value of funds maintained for that purpose		-

It is anticipated (but cannot be guaranteed) that under the terms contained in the Guide to the Civil Defence Emergency Plan, central government may fund 60% of the qualifying cost of reinstating essential infrastructure assets in the event of a major disaster.

36. REPLACEMENT COST OF CORE INFRASTRUCTURAL ASSETS	Council Actual \$ 30 June 2019 \$000	Council Actual \$ 30 June 2018 \$000
Water other	105,189	103,046
Water treatment plant and facilities	39,913	36,581
Waste water treatment plant and facilities	47,992	46,075
Wastewater other	146,148	144,505
Stormwater	56,666	57,329
Solid waste	8,784	8,784
Roading and footpaths		345,548
Total replacement cost of core infrastructure assets		741,868

Refer to Note 11 for vested assets and additions.

37. TAX	Council Actual \$ 30 June 2019 \$000	Council Actual \$ 30 June 2018 \$000	Group Actual \$ 30 June 2019 \$000	Group Actual \$ 30 June 2018 \$000
Components of tax expense				
Current tax	-	-	-	-
Tax expense	-	-	-	-
Relationship between tax expense and accounting surplus				
Surplus/(deficit) before tax	(4,407)	(2,150)	(4,409)	(2,146)
Tax at 28%	(1,234)	(602)	(1,235)	(601)
Plus/(less) tax effect of:				
Non-deductible expense	-	-	-	-
Non-assessable revenue	1,234	602	1,235	601
Tax expense	-	-	-	-

Benchmarks Disclosure Statement

FOR THE YEAR ENDED 30 June 2019

The purpose of this statement is to disclose the Council’s financial performance in relation to various benchmarks to enable the assessment of whether the Council is prudently managing its revenues, expenses, assets, liabilities, and general financial dealings.

The Council is required to include this statement in its annual report in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014 (the **regulations**). Refer to the regulations for more information, including definitions of some of the terms used in this statement.

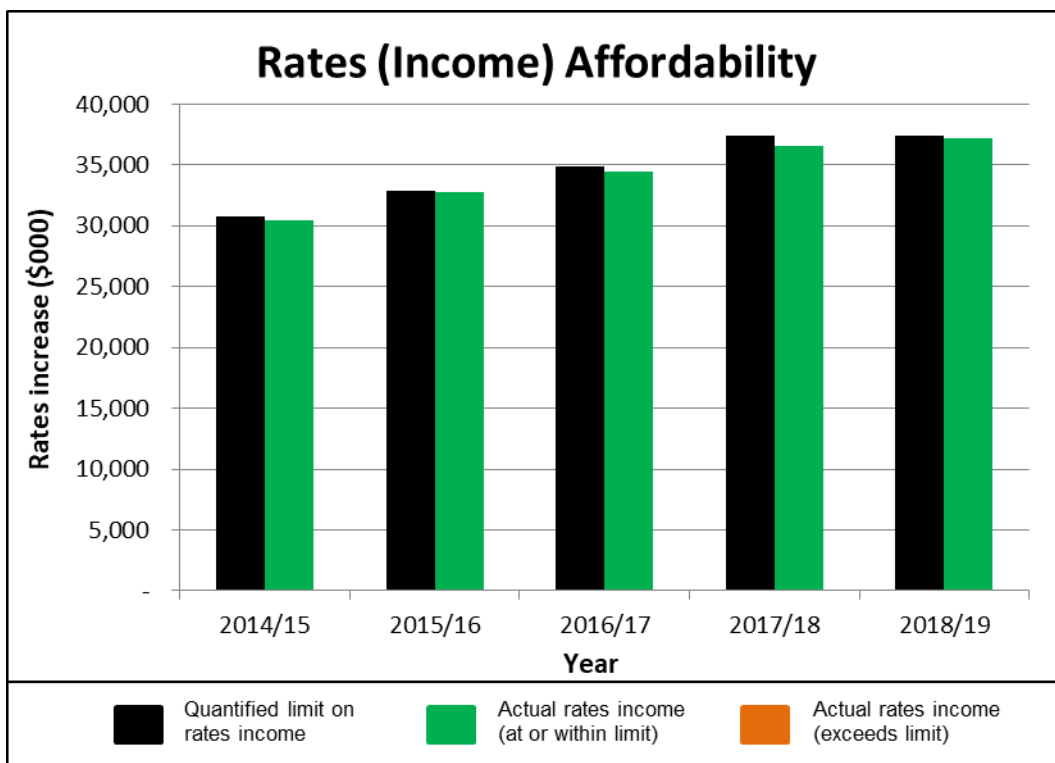
Rates affordability benchmarks

The Council meets the rates affordability benchmark if –

- its actual rates income equals or is less than each qualified limit on rates; and
- its actual increases equal or are less than each qualified limit on rates increases.

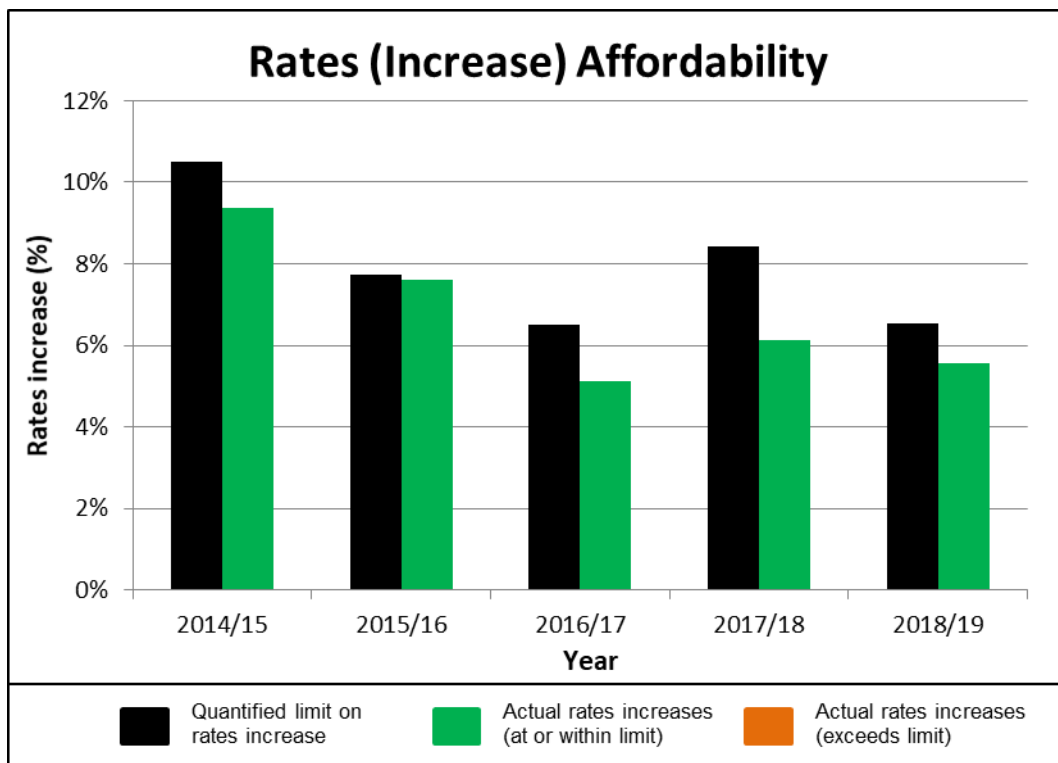
Rates (income) affordability

The following graph compares the Council’s actual rates income with a quantified limit on rates contained in the financial strategy included in the Council’s long-term plan. The quantified limit is \$45,300,000 (2014/15), \$31,858,000 (2015/16), \$33,619,000 (2016/17), \$36,109,000 (2017/18) and \$37,457,000 (2018/19).



Rates (increases) affordability

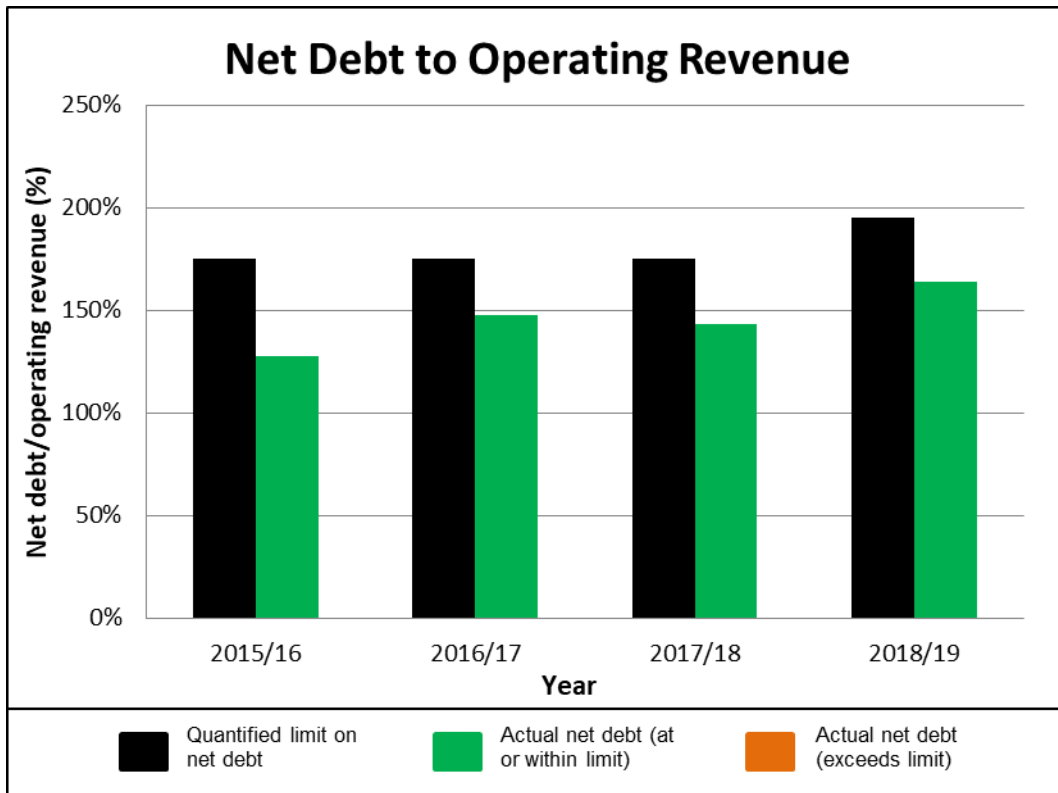
The following graph compares the Council's actual rate increase with a quantified limit on rates increases included in the financial strategy included in the Council's long term plan. The quantified limits are 10.50% (2014/15), 7.74% (2015/16), 6.52% (2016/17), 8.43% (2017/18) and 6.55% (2018/19).



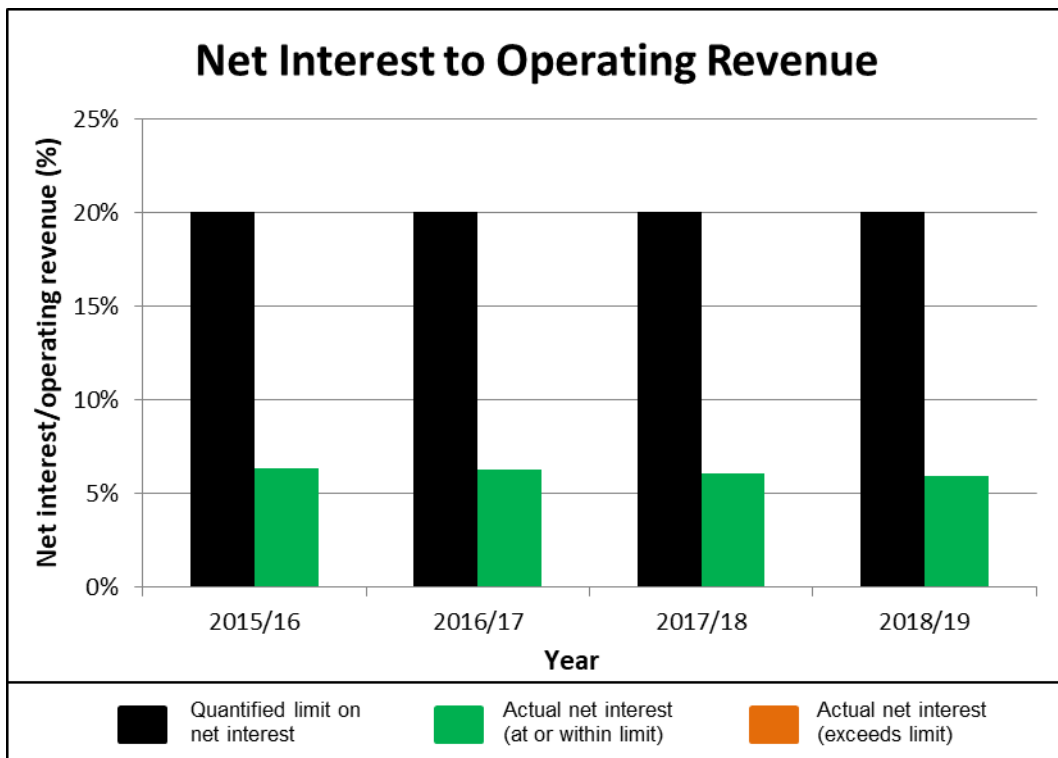
Debt affordability benchmark

The Council meets the debt affordability benchmark for a year if actual borrowing is within each quantified limit on borrowing.

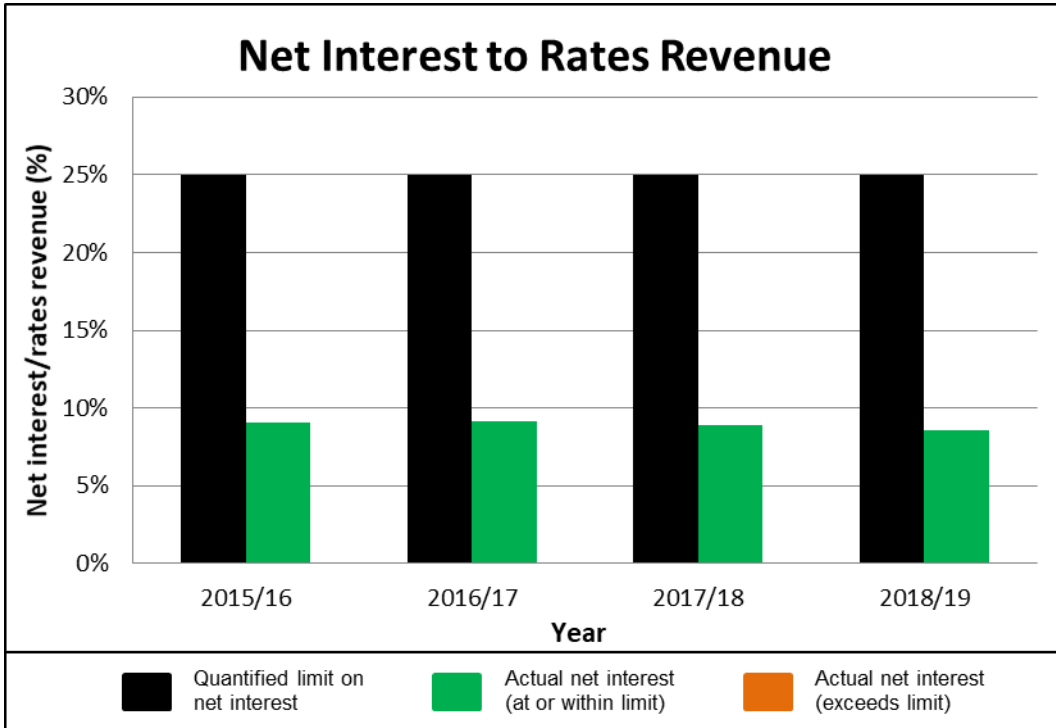
The following graph compares the Council's actual borrowing with quantified limit on borrowing stated in the financial strategy included in the Council's long term plan. The quantified limits are net debt to operating revenue should be below 195%. This is a new quantified limit from the 2015-25 LTP so therefore there are only four years of data available.



The following graph compares the Council's actual borrowing with quantified limit on borrowing stated in the financial strategy included in the Council's long term plan. The quantified limits are net interest to operating revenue should be below 20%. This is a new quantified limit from the 2015-25 LTP so therefore there are only four years of data available.



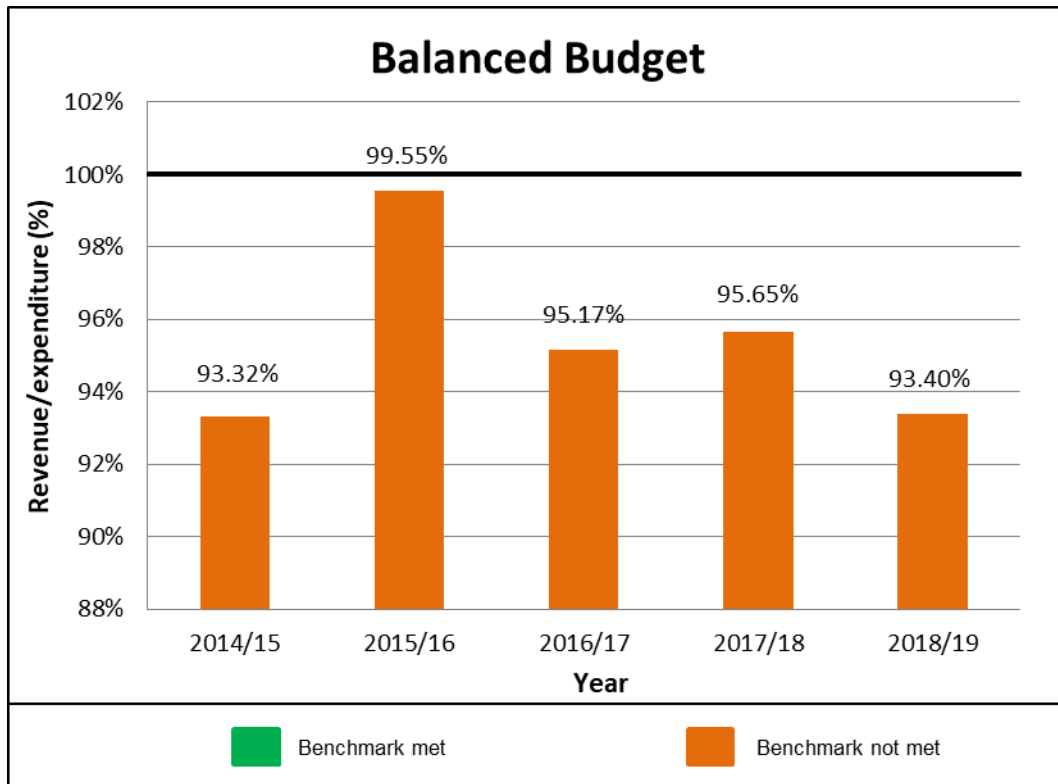
The following graph compares the Council's actual borrowing with quantified limit on borrowing stated in the financial strategy included in the Council's long term plan. The quantified limits are net interest to annual rates revenue should be below 25%. This is a new quantified limit from the 2015-25 LTP so therefore there are only four years of data available.



Balanced budget benchmark

The following graph displays the Council's revenue excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments and revaluations of property, plant or equipment, as a proportion of operating expenses, excluding losses on derivative financial instruments and revaluations of property, plants or equipment.

The Council meets this benchmark if its revenue equals, or is greater than, its operating expenses.



Explanation on balanced budget benchmark

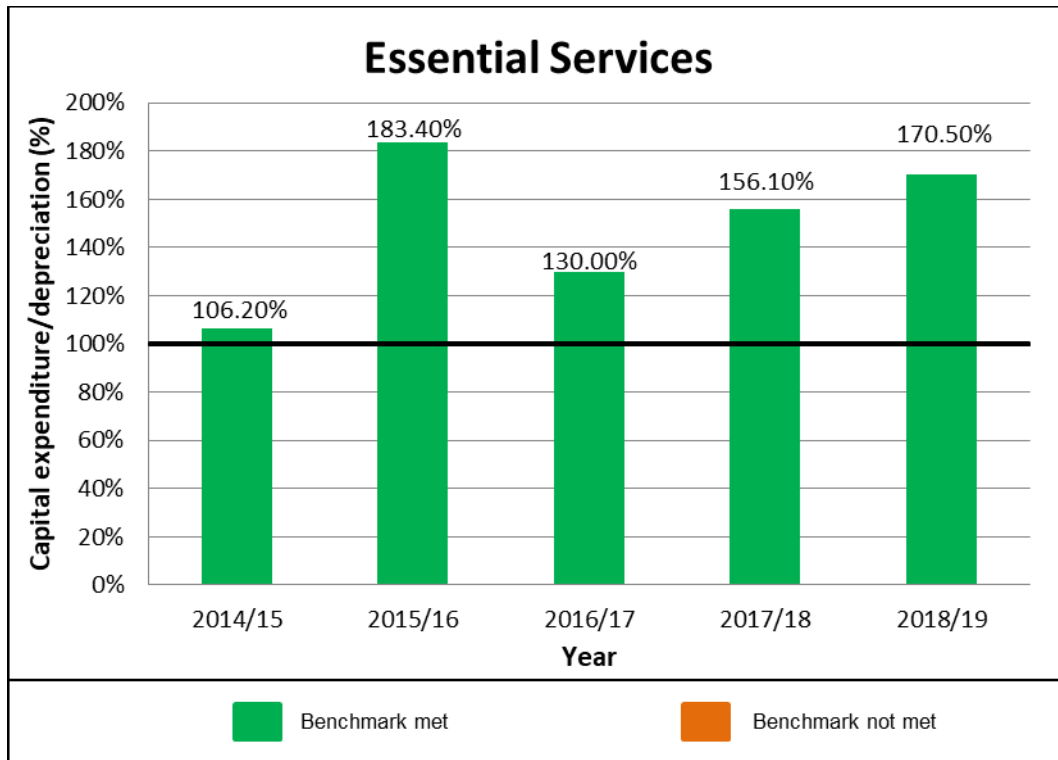
In order to keep the level of rate increases to an affordable level, Council has, for some years, not been fully funding depreciation. Funding depreciation creates a reserve to cover the cost of replacing Council's assets, especially infrastructural assets. Underfunding this reserve is possible only in the short-term. Council has been progressively increasing the funding of depreciation since the 2009/10 financial year. The major cause of Council's above inflation rate increases has been the need to increase depreciation funding. The underfunding of depreciation is the major reason for Council not meeting this benchmark.

Essential services benchmark

The following graph displays the Council's capital expenditure on network services as a proportion of depreciation on network services. Capital work includes both renewals of existing infrastructure and new capital works undertaken.

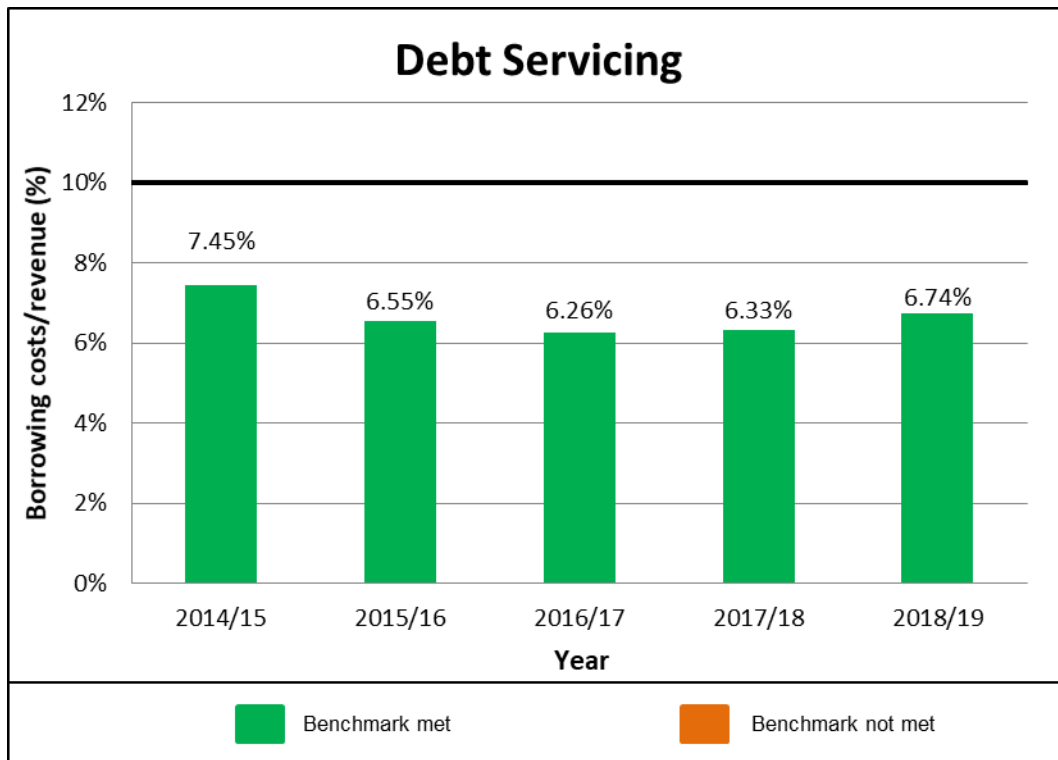
The Council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services.

Network services is defined in the regulations as infrastructure relating to water supply, sewage and the treatment and disposal of sewage, storm water drainage, flood protection and control works and the provision of roads and footpaths. The Council owns no infrastructure relating to flood protection and control work.



Debt servicing benchmark

The following graph displays the Council's borrowing costs as a proportion of revenue excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments and revaluations of property, plant or equipment.



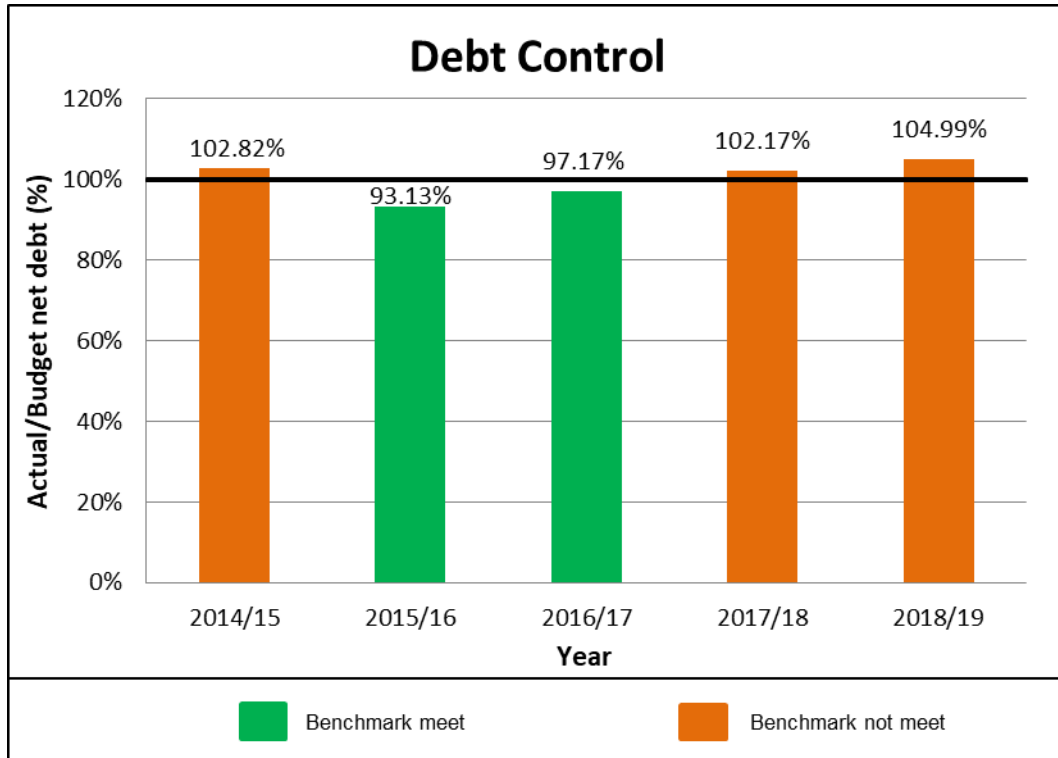
Because Statistics New Zealand projects the Council's population will grow more slowly than the national population growth rate, it meets the debt control benchmark if its borrowing costs are equal or less than 10% of its revenue, (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments and revaluations of property, plant or equipment).

Debt control benchmark

The following graph displays the Council's actual net debt as a proportion of planned net debt. In this statement, net debt is financial liabilities less financial assets (excluding trade and other receivables).

The Council meets the debt control benchmark if its actual net debt is less than or equal to the net debt planned for the year in its long term plan.

This benchmark has used the Long Term Plan 2012-2022 for 2014/15 and the Long Term Plan 2015-2025 for 2015/16, 2016/17 and 2017/18 and the Long Term Plan 2018-2038 for 2018/19.



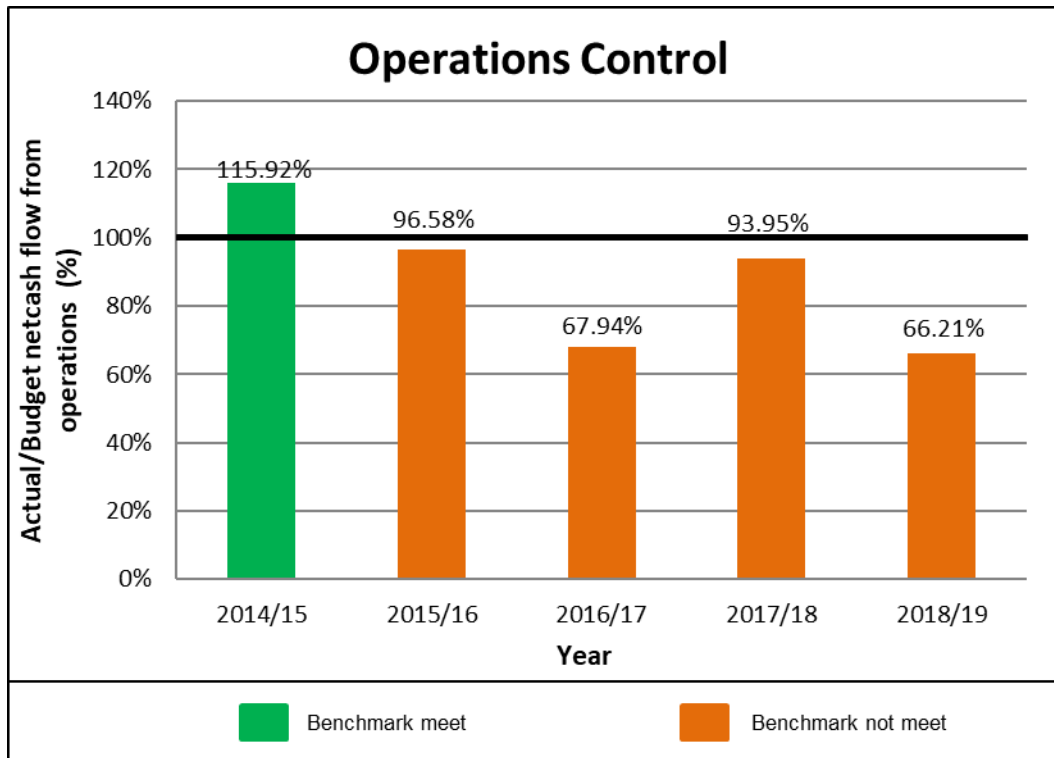
Explanation on debt control benchmark

The reason for not meeting the benchmark in the 2014/15 financial years is due to the purchase of the land for the Shannon wastewater treatment project. Council purchased this property ahead of when it was programmed, to take advantage of the property coming on the market. The benchmark was not met in the 2017/18 year due to lower than expected cash balance and higher payables balance as a result of increased capital work in the last two months of the financial year as more resources were employed to catch up with delayed projects.

Operations control benchmark

This graph displays the Council's actual net cash flow from operations as a proportion of its planned net cash flow from operations.

The Council meets the operations control benchmark if its actual net cash flow from operations equals or is greater than its planned net cash flow from operations.



Explanation on operations control benchmark

The reason for not meeting the benchmark in the 2015/16 financial year is largely due to the delay in the Te Awahou Nieuwe Stroom building project where the grants are dependent on building progressing in order for the cash to be released. In the 2016/17 financial year it is again the delay in receiving the Te Awahou Nieuwe Stroom grant but also a combination of unbudgeted spending on professional services for growth strategy work and a reduction of accounts payable. In the 2017/18 financial year the budget included contributions from the Te Awahou Nieuwe Stroom partners, however since these contributions were for assets they own, this amount should not have been budgeted. In the 2018/19 financial year the benchmark wasn't met due to a combination of less revenue and more expenditure than budget. Revenue from NZTA was less than budgeted as a result of lower capital expenditure. The increase in expenditure is outlined in explanation of variances in the comprehensive revenue and expense statement.

Accounting Policies

REPORTING ENTITY

The Horowhenua District Council is a territorial local authority constituted under and governed by the Local Government Act 2002 and is domiciled in New Zealand. The relevant legislation governing the Council's operations includes the LGA and the Local Government (Rating) Act 2002.

The Horowhenua District Council Group consists of Horowhenua District Council and Shannon Community Development Trust. All have been incorporated in New Zealand.

The primary objective of Horowhenua District Council is to provide local infrastructure, local public service, and performs regulatory functions for the community for social benefit rather than making a financial return. Accordingly, Council has designated itself as a public benefit entity (PBE) for financial reporting purposes.

The financial statements of Horowhenua District Council are for the year ended 30 June 2019. The financial statements were authorised for issue by Council on 2 October 2019.

BASIS OF PREPARATION

The financial statements have been prepared on the going concern basis, and the accounting policies which materially affect the measurement of results and financial position set out below have been applied consistently to all periods presented in these financial statements.

Statement of compliance

The financial statements of Horowhenua District Council have been prepared in accordance with the requirements of the Local Government Act 2002 and Local Government (Financial Reporting and Prudence) Regulations 2014 (LG(FRP)R), which include the requirement to comply with generally accepted accounting practice in New Zealand (NZ GAAP).

These financial statements have been prepared in accordance with Tier 1 PBE accounting standards. Horowhenua District Council is a tier 1 reporting entity using the public sector PBE accounting standards, as it has expenses greater than \$30m, and is not publicly accountable.

These financial statements comply with PBE Standards.

Measurement base

The measurement base adopted is that of historical cost, modified by the revaluation of certain assets which have been measured at fair value.

Presentation currency and rounding

The financial statements are presented in New Zealand dollars. The functional currency of Horowhenua District Council is New Zealand Dollars. All values are rounded to the nearest thousand dollars (\$000).

Standards issued and not yet effective and not early adopted

Amendment to PBE IPSAS 2 Statement of Cash Flows

An amendment to PBE IPSAS 2 Statement of Cash Flows requires entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. This amendment is effective for annual periods beginning on or after 1 January 2021, with early application permitted. Council does not intend to early adopt the amendment.

PBE IPSAS 34-38

PBE IPSAS 34-38 replace the existing standards for interests in other entities (PBE IPSAS 6-8). These new standards are effective for annual periods beginning on or after 1 January 2019. Council will apply these new standards in preparing the 30 June 2020 financial statements. No effect is expected as a result of this change.

PBE IPSAS 41 Financial Instruments

The XRB issued PBE IPSAS 41 Financial Instruments in March 2019. This standard supersedes PBE IFRS 9 Financial Instruments, which was issued as an interim standard. It is effective for reporting periods beginning on or after 1 January 2022. Although Council has not assessed the effect of the new standard, it does not expect any significant changes as the requirements are similar to PBE IFRS 9.

PBE FRS 48 Service Performance Reporting

PBE FRS 48 replaces the service performance reporting requirements of PBE IPSAS 1 and is effective for reporting periods beginning on or after 1 January 2021. Council has not yet determined how application of PBE FRS 48 will affect its statement of performance.

Other changes in accounting policies

There have been no other changes in accounting policies.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. BASIS OF CONSOLIDATION

The consolidated financial statements are prepared by adding together the items as assets, liabilities, equity revenue and expenses on a line-by-line basis. All intra-group balances, transactions, revenues and expenses are eliminated on consolidation.

Subsidiaries

Horowhenua District Council consolidates as 'subsidiaries', in the Group financial statements, all entities where Horowhenua District Council has the power to govern the financial and operating policies so as to obtain benefits from their activities. This power exists where Horowhenua District Council controls the majority voting power on the governing body or where such policies have been irreversibly predetermined by Horowhenua District Council or where the determination of such policies is unable to materially impact the level of potential ownership benefits that arise from the activities of the subsidiary.

Horowhenua District Council's investment in its subsidiary is carried at cost in the Horowhenua District Council's own 'parent entity' financial statements.

2. REVENUE

Revenue is measured at the fair value of consideration received or receivable.

Rates revenue

The following policies for rates have been applied:

- General rates, targeted rates (excluding water by meter), and uniform annual general charges are recognised at the start of the financial year to which the rates resolution relates. They are recognised at the amounts due. The Council considers the effect of payment of rates by instalments is not sufficient to require discounting of rates receivables and subsequent recognition of interest revenue.
- Rates arising from late payment penalties are recognised as revenue when rates become overdue.
- Revenue from water by meter rates is recognised on an accrual basis based on usage. Unbilled usage, as a result of unread meters at year end, is accrued on an average usage basis.
- Rate remissions are recognised as a reduction of rates revenue when the Council has received an application that satisfies its rates remission policy.

Development and financial contributions

Revenue from development and financial contributions is recognised at the later of the point when Council provides, or is able to provide, the service for which the contribution was charged. Otherwise, development and financial contributions are recognised as liabilities until such time as Council provides, or is able to provide, the service.

Development contributions are disclosed separately.

Infringement fees revenue

Revenue from infringement fees and fines mostly relate to traffic and parking infringements and are recognised when tickets are issued. The Council recognises revenue at an amount based on the probability of collecting fines, which is estimated by considering the collection history of fines over the preceding 2 year period.

Subsidised revenue

Council receives revenue from New Zealand Transport Agency, which subsidises part of the costs in maintaining the local roading infrastructure, is recognised as revenue upon entitlement as conditions pertaining to eligible expenditure have been fulfilled.

Grants revenue

Revenue from other grants are recognised as revenue when they become receivable unless there is an obligation in substance to return the funds if conditions of the grant are not met. If there is such an obligation, the grants are initially recorded as grants received in advance and recognised as revenue when conditions of the grant are satisfied.

Rendering of services revenue

Revenue from the rendering of services is recognised by reference to the stage of completion of the transaction at balance date, based on the actual service provided, as a percentage of the total services to be provided.

Sale of goods revenue

Revenue from the sale of goods is recognised when a product is sold to the customer. Sales are usually in cash or by credit card. The recorded revenue is the gross amount of the sale, including credit card fees payable for the transaction. Such fees are included in other expenses.

Vesting of assets revenue

Revenue from vesting of physical assets is recognised for assets received for no or nominal consideration, the asset is recognised at fair value when Council obtains control of the asset. The fair value of the asset is recognised as revenue, unless there is a use or return condition attached to the asset.

The fair value of vested or donated assets is usually determined by reference to the cost of constructing the asset. For assets received from property developments, the fair value is based on construction price information provided by the property developer.

For long-lived assets that must be used for a specific use (e.g. land must be used as a recreation reserve), the Council immediately recognises the fair value of the asset as revenue. A liability is recognised only if the Council expects it will need to return or pass the asset to another party.

Commission revenue

Commissions received or receivable that do not require the agent to render further service are recognised as revenue at the point of sale.

Interest and dividends revenue

Revenue from interest is recognised using the effective interest method. Interest revenue on an impaired financial asset is recognised using the original effective interest rate.

Revenue from dividends is recognised when the right to receive payment has been established.

Building and resource consent revenue

Fees and charges for building and resource consent services are recognised on a percentage completion basis with reference to the recoverable costs incurred at balance date.

Landfill fees

Fees for disposing of waste at the Council's landfill are recognised as waste is disposed by users.

Lease revenue

Lease revenue from operating leases is recognised as revenue on a straight-line basis over the lease term, unless another systematic basis is more representative of the time pattern in which benefits derived from the leased asset is diminished.

3. BORROWING COSTS

All borrowing costs are recognised as an expense in the period in which they are incurred.

4. INCOME TAX

Income tax expense includes components relating to both current tax and deferred tax.

Current tax is the amount of income tax payable based on the taxable surplus for the current year, plus any adjustments to income tax payable in respect of prior years. Current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted at balance date.

Deferred tax is the amount for income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses. Temporary differences are differences between the carrying amount of assets and liabilities in the statement of financial position and the corresponding tax bases used in the computation of taxable profit.

Deferred tax is measured at the tax rates that are expected to apply, when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at balance date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the entity expects to recover or settle the carrying amount of its assets and liabilities.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences or tax losses can be utilised.

Deferred tax is not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable profit.

Current and deferred tax is recognised against the surplus or deficit for the period, except to the extent that it relates to a business combination, or to transactions recognised in other comprehensive revenue and expense or directly in equity.

5. GRANT EXPENDITURE

Non-discretionary grants are those grants that are awarded if the grant application meets the specified criteria and are recognised as expenditure when an application that meets the specified criteria for the grant has been received.

Discretionary grants are those grants where Council has no obligation to award on receipt of the grant application and are recognised as expenditure when a successful applicant has been notified of Council's decision. The Council's grants awarded have no substantive conditions attached.

6. LEASES

Finance leases

A finance lease is a lease that transfers to the lessee substantially all the risks and rewards incidental to ownership of an asset, whether or not title is eventually transferred.

At the commencement of the lease term, Horowhenua District Council recognises finance leases as assets and liabilities in the statement of financial position at the lower of the fair value of the leased item or the present value of the minimum lease payments.

The finance charge is charged to the surplus or deficit over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability.

The amount recognised as an asset is depreciated over its useful life. If there is no certainty as to whether Horowhenua District Council will obtain ownership at the end of the lease term, the asset is fully depreciated over the shorter of the lease term and its useful life.

Operating leases

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term.

Lease incentives received are recognised in the surplus or deficit as a reduction of rental expense over the lease term.

7. CASH AND CASH EQUIVALENTS

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts.

Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

8. TRADE AND OTHER RECEIVABLES

Trade and other receivables are initially measured at face value less any provision for impairment.

9. DERIVATIVE FINANCIAL INSTRUMENTS

Derivative financial instruments are used to manage exposure to interest rate risks arising from the Council's financing activities. In accordance with its treasury policy, the Council does not hold or issue derivative financial instruments for trading purposes.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each balance date. The resulting gains or losses are recognised in the surplus or deficit as Council does not hedge accounts.

The portion of the fair value of an interest rate derivative that is expected to be realised within 12 months of balance date is classified as current, with the remaining portion of the derivative classified as non-current.

10. FINANCIAL ASSETS

Horowhenua District Council classifies its financial assets into four categories:

- fair value through surplus or deficit;
- held-to-maturity investments;
- loans and receivables; and
- financial assets at fair value through other comprehensive revenue and expense.

The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial acquisition and re-evaluates this designation at every reporting date.

Financial assets are initially measured at fair value plus transaction costs unless they are carried at fair value through surplus or deficit, in which case the transaction costs are recognised in the surplus or deficit. Purchases and sales of financial assets are recognised on trade-date, the date on which Horowhenua District Council commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and Horowhenua District Council has transferred substantially all the risks and rewards of ownership.

The categories of financial assets are:

Financial assets at fair value through surplus or deficit

Financial assets at fair value through surplus or deficit include financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term or it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of short-term profit taking. Derivatives are also categorised as held for trading unless they are designated into a hedge accounting relationship for which hedge accounting is applied.

Financial assets acquired principally for the purpose of selling in the short-term or part of a portfolio classified as held for trading are classified as a current asset. The current/non-current classification of derivatives is explained in the derivatives accounting policy above.

After initial recognition, financial assets in this category are measured at their fair values with gains or losses on remeasurement recognised in the surplus or deficit.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that Horowhenua District Council has the positive intention and ability to hold to maturity. They are included in current assets, except for maturities greater than 12 months after balance date, which are included in non-current assets.

After initial recognition they are measured at amortised cost using the effective interest method, less impairment. Gains and losses when the asset is impaired or derecognised are recognised through surplus or deficit.

Loans and receivables

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance date, which are included in non-current assets.

After initial recognition they are measured at amortised cost using the effective interest method less impairment. Gains and losses when the asset is impaired or derecognised are recognised through surplus or deficit. Loans and receivables are classified as "trade and other receivables" in the statement of financial position.

Loans, including loans to community organisations made by Horowhenua District Council at nil or below-market interest rates, are initially recognised at the present value of their expected future cash flows, discounted at the current market rate of return for a similar asset or investment. They are subsequently measured at amortised cost using the effective interest method. The difference between the face value and the present value of expected future cash flows of the loan is recognised in the surplus or deficit as a grant.

Financial assets at fair value through other comprehensive revenue and expense

Financial assets at fair value through other comprehensive revenue and expense are those that are designated into the category at initial recognition or are not classified in any of the other categories above. They are included in non-current assets unless management intends to dispose of, or realise, the investment within 12 months of balance date.

After initial recognition these investments are measured at their fair value.

Gains and losses are recognised directly in other comprehensive revenue and expense, except for impairment losses which are recognised in the surplus or deficit.

On de-recognition the cumulative gain or loss previously recognised in other comprehensive revenue and expense is recognised from equity to the surplus or deficit.

Financial assets in this category include investments Horowhenua District Council intends to hold long-term but which may be realised before maturity and shareholdings that Horowhenua District Council holds for strategic purposes.

Impairment of financial assets

At each balance sheet date Horowhenua District Council assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired. Any impairment losses are recognised in the surplus or deficit.

Loans and other receivables and held-to-maturity investments

Impairment is established when there is objective evidence that the Council and Group will not be able to collect amounts due according to the original terms of the debt. Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy and default in payments are considered indicators that the asset is impaired. The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the original effective interest rate. For debtors and other receivables, the carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the surplus or deficit. When the receivable is uncollectible it is written off against the allowance account. Overdue receivables that have been renegotiated are reclassified as current (that is, not past due). Impairment in term deposits, local authority stock, government bonds and community loans are recognised directly against the instrument's carrying amount.

Financial assets at fair value through other comprehensive revenue and expense

For equity investments, a significant or prolonged decline in the fair value of the investment below its cost is considered objective evidence of impairment.

For debt investments, significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy and default in payments are considered objective indicators that the asset is impaired.

If impairment evidence exists for investments at fair value through other comprehensive revenue and expense, the cumulative loss (measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the surplus or deficit) recognised in other comprehensive revenue and expense is reclassified from equity to the surplus or deficit.

Equity instrument impairment losses recognised in the surplus or deficit are not reversed through the surplus or deficit.

If in a subsequent period the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised, the impairment loss is reversed through surplus or deficit.

11. NON-CURRENT ASSETS HELD FOR SALE

Non-current assets held for sale are classified as 'held for sale' if their carrying amount will be recovered principally through a sale transaction, not through continuing use. Non-current assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

Any impairment losses for write-downs of non-current assets held for sale are recognised through surplus or deficit.

Any increases in fair value (less costs to sell) are recognised up to the level of any impairment losses (net of depreciation) that have been previously recognised.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale.

12. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consist of:

Operational assets - These include land, buildings, library collections, plant and equipment and motor vehicles.

Restricted assets - Restricted assets are parks and reserves cemeteries and endowment properties owned by Horowhenua District Council which provide a benefit or service to the community and cannot be disposed of because of legal or other restrictions.

Infrastructure assets - Infrastructure assets are the fixed utility systems owned by Horowhenua District Council. Each asset class includes all items that are required for the network to function, for example, sewer reticulation includes reticulation piping and sewer pump stations.

Land (operational and restricted) is measured at fair value, and buildings (operational and restricted), and infrastructural assets (except land under roads) are measured at fair value less accumulated depreciation. All other asset classes are measured at cost less accumulated depreciation and impairment losses.

Additions

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to Horowhenua District Council and the cost of the item can be measured reliably.

In most instances, an item of property, plant and equipment is recognised at cost. Where an asset is acquired through a non-exchange transaction, it is recognised at fair value as at the date of acquisition.

Work in progress is recognised at cost less impairment and is not depreciated.

Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are included through the surplus or deficit.

When revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to accumulated funds.

Subsequent costs

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to Horowhenua District Council and the cost of the item can be measured reliably.

The costs of day to day servicing of property, plant and equipment are recognised in the surplus or deficit as they are incurred.

Depreciation

Horowhenua District Council's depreciation is provided on a straight-line basis on all property, plant and equipment (other than land) at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives. The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

	Useful Life	Depreciation Rate
Operational assets		
Land	N/A	N/A
Buildings:		
Structure	20 to 100 years	1% to 5%
Roofing	40 years	2.5%
Electricals	40 years	2.5%
Plant, equipment and vehicles	4 to 25 years	4% to 25%
Library assets	10 years	10%
Solid waste management:		
Building structure	50 to 100 years	1% to 2%
Building roofing	40 years	2.5%
Roading	50 years	2%
Cell site works and earthworks	33 years	3%
Cell lining, drainage and irrigation	33 years	3%
Cell electricals	10 years	10%
Restricted assets		
Land	N/A	N/A
Buildings:		
Structure	20 to 100 years	1% to 5%
Roofing	40 years	2.5%
Electricals	40 years	2.5%
Infrastructural assets		
Roading: (average lives and depreciation rates of major components)		
Land	N/A	N/A
Formation	N/A	N/A
Berms	100 years	1%
Surface water channels	50 to 100 years	1% to 2%
Bridges and culverts	40 to 100 years	1% to 2.5%
Drainage	80 years	1.25%
Sealed pavement	78 years	1.29%
Basecourse	60 years	1.66%
Footpaths - concrete	60 years	1.66%
Footpaths - metal	100 years	1.0%
Footpaths - other	20 to 45 years	2.22% to 5%
Crossings	50 years	2.0%
Streetlights – poles	30 to 50 years	2% to 3.33%
Streetlights – lights	25 years	4.0%
Signage	12 years	8.33%
Surfacing	1 to 25 years	4% to 100%

	Useful Life	Depreciation Rate
Stormwater:		
Pump stations	100 years	1%
Manholes	80 years	1.25%
Sumps	60 years	1.67%
Pipes	20 to 100 years	1% to 5%
Pumps	15 years	6.67%
Water:		
Land	N/A	N/A
Buildings:		
Structure	50 to 100 years	1% to 2%
Roofing	40 years	2.5%
Electricals	40 years	2.5%
Treatment facilities	8 to 100 years	1% to 12.5%
Pipes	20 to 80 years	1.25% to 5%
Laterals	50 to 90 years	1.11% to 2%
Tobies	60 years	1.67%
Valves	60 years	1.67%
Hydrants	60 years	1.67%
Meters	20 years	5%
Sewer:		
Land	N/A	N/A
Buildings:		
Structure	25 to 70 years	1.43% to 4%
Roofing	40 years	2.5%
Electricals	40 years	2.5%
Treatment and disposal facilities	10 to 100 years	1% to 10%
Pipes	60 to 80 years	1.25% to 1.67%
Laterals	60 to 100 years	1% to 1.67%
Pump stations	50 to 60 years	1.67% to 2%
Manholes	80 years	1.25%
Pumps	10 to 25 years	4% to 10%

The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each financial year-end.

The Horowhenua Trust depreciation is provided on a diminishing value basis on all property, plant and equipment at rates that will write off the cost of these assets to their estimated residual values over their useful lives.

Revaluation

Land and buildings (operational and restricted) and infrastructure assets (except land under roads) are revalued with sufficient regularity to ensure that their carrying amount does not differ materially from fair value and at least every three years.

The carrying values of revalued assets are assessed annually to ensure that those values are not materially different from the assets' fair values. If there is a material difference, then the off-cycle asset classes are revalued.

Horowhenua District Council accounts for revaluations of property, plant and equipment on a 'class of asset' basis.

The net revaluation results are credited or debited to other comprehensive revenue and expense and are accumulated to an asset revaluation reserve in equity for that class of asset. Where this results in a debit balance in the asset revaluation reserve, this balance is not recognised in other comprehensive revenue and expense but is recognised in the surplus or deficit. Any subsequent increase on revaluation that reverses a previous decrease in value is recognised in the surplus or deficit will be recognised first in the surplus or deficit up to the amount previously expensed, and then recognised in other comprehensive revenue and expense.

Those asset classes that are revalued are valued on a three yearly valuation cycle on the basis described below. All other asset classes are carried at cost less accumulated depreciation and impairment losses.

Operational land and buildings:

At "fair value" was determined from market-based evidence by an independent valuer. The most recent valuation was performed by B D Lavender (ANZIV, SNZPI) of Blackmore Associates and the valuation is effective as at 30 June 2017.

Restricted land and buildings: parks, cemeteries and endowment land:

At "fair value" was determined from market-based evidence by an independent valuer. The most recent valuation was performed by B D Lavender (ANZIV, SNZPI) of Blackmore Associates and the valuation is effective as at 30 June 2017.

Infrastructural asset classes: roads, water reticulation, sewerage reticulation and stormwater systems:

At “fair value” was determined on a depreciated replacement cost basis by Council staff. At balance date Horowhenua District Council assesses the carrying values of its infrastructural assets to ensure that they do not differ materially from the assets' fair values. If there is a material difference, then the off-cycle asset classes are revalued.

Valuations completed by:

The roading infrastructure, wastewater assets, water supply assets and stormwater assets were valued as at 1 July 2017 using unit rates reviewed by Ross Nicholson (Masters of Engineering Science, BE (Hons) Civil Engineering, BA and chartered professional engineer). The valuation calculations were performed by Council. Land and buildings associated with the water supply and wastewater activities was valued by B D Lavender (ANZIV, SNZPI) of Blackmore Associates and the valuation is effective as at 30 June 2017.

Land under the roads is no longer revalued; it is valued at deemed cost.

The landfill infrastructure was valued in two parts, both as at 30 June 2017. The land and buildings were valued by B D Lavender (ANZIV, SNZPI) of Blackmore Associates. The remainder of the asset was valued by Phil Landmark (BScEng (Civil) CP Eng) of MWH New Zealand Ltd, and reviewed by Brian Smith (BCom (Acc & Eco.), CA) of MWH New Zealand Limited.

13. INTANGIBLE ASSETS

Software acquisition and development

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

Costs associated with maintaining computer software are recognised as an expense when incurred.

Costs that are directly associated with the development of software for internal use by Horowhenua District Council are recognised as an intangible asset. Direct costs include the software development, employee costs and an appropriate portion of relevant overheads.

Staff training costs are recognised in the surplus or deficit when incurred. Costs associated with development and maintenance of the Council's website are recognised as an expense when incurred.

Easements

Easements are recognised at cost, being the costs directly attributable in bringing the asset to its intended use. Easements have an indefinite useful life and are not amortised, but are instead tested for impairment annually.

Amortisation

Horowhenua District Council's carrying value of an intangible asset with a finite life is amortised on a 'straight-line' basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is de-recognised. The amortisation charge for each period is recognised through the surplus or deficit.

The useful lives and associated amortisation rates of major classes of intangible assets have been estimated as follows:

Computer software: 10 years, 10%.

Te Horowhenua Trust's computer software licenses are amortised at 30% diminishing value including Koha software. Kete software is amortised at 60% diminishing value. Amortisation begins when the asset is available for use and ceases at the date that the asset is disposed of.

The useful lives and associated amortisation rates of major classes of intangible assets have been estimated as follows:

Kete Software – 4 years, 60%

Koha Software – 8 years, 30%

Other Software – 60% diminishing value

14. FORESTRY ASSETS

Forestry assets are independently revalued annually at fair value less estimated point of sale costs. Fair value is determined based on the present value of expected net cash flows discounted at a current market determined pre-tax rate. This calculation is based on existing sustainable felling plans and assessments regarding growth, timber prices, felling costs and silvicultural costs and takes into consideration environmental, operational and market restrictions.

Gains or losses arising on initial recognition of forestry assets at fair value less estimated point of sale costs and from a change in fair value less estimated point of sale costs are recognised through surplus or deficit.

The costs to maintain the forestry assets are included through surplus or deficit.

15. INVESTMENT PROPERTY

Properties leased to third parties under operating leases are classified as investment property unless the property is held to meet service delivery objectives, rather than to earn rentals or for capital appreciation.

Investment property is measured initially at its cost, including transaction costs.

After initial recognition, Horowhenua District Council measures all investment property at fair value as determined annually by an independent valuer.

Gains or losses arising from a change in the fair value of investment property are recognised through surplus or deficit.

16. IMPAIRMENT OF PROPERTY, PLANT, AND EQUIPMENT AND INTANGIBLE ASSETS

Intangible assets subsequently measured at cost that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Property, plant, and equipment and intangible assets subsequently measured at cost that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

If an asset's carrying amount exceeds its recoverable amount, the asset is regarded as impaired and the carrying amount is written down to the recoverable amount. The total impairment loss is recognised through the surplus or deficit. The reversal of an impairment loss is recognised in the surplus or deficit.

Value in use for non-cash generating assets

Non-cash generating assets are those assets that are not held with the primary objective of generating a commercial return.

For non-cash generating assets, value in use is the depreciated replacement cost.

Value in use for cash generating assets

Cash generating assets are those assets that are held with the primary objective of generating a commercial return.

The value in use for cash-generating assets is the present value of expected future cash flows.

17. EMPLOYEE BENEFITS

Short-term benefits

Employee benefits that Horowhenua District Council expects to be settled within 12 months after the end of period in which the employee renders the related service are measured at nominal values based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, annual leave earned to, but not yet taken at balance date, retiring and long service leave entitlements expected to be settled within 12 months.

Horowhenua District Council recognises a liability and an expense for bonuses where contractually obliged or where there is a past practice that has created a constructive obligation.

Long-term benefits

Entitlements that are payable beyond 12 months after the end of period in which the employee renders the related service, such as long service leave and retiring leave, have been calculated on an actuarial basis. The calculations are based on:

- the likely future entitlements accruing to staff (based on years of service), years to entitlement, the likelihood that staff will reach the point of entitlement and contractual entitlements information; and
- the present value of the estimated future cash flows.

18. Superannuation schemes

Defined contribution schemes

Obligations for contributions to defined contribution superannuation schemes are recognised as an expense through surplus or deficit when incurred.

Defined benefit schemes

Horowhenua District Council does not belong to any Defined Benefit Scheme.

19. CREDITORS AND OTHER PAYABLES

Short-term creditors and other payables are recorded at their face value.

20. PROVISIONS

Horowhenua District Council recognises a provision for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event. It is probable that expenditures will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as an interest expense.

Financial guarantee contracts

A financial guarantee contract is a contract that requires Horowhenua District Council to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due.

Financial guarantee contracts are initially recognised at fair value. If a financial guarantee contract was issued in a stand-alone arm's length transaction to an unrelated party, its fair value at inception is equal to the consideration received. When no consideration is received, the fair value of the liability is initially measured using a valuation technique, such as considering the credit enhancement arising from the guarantee or the probability that Horowhenua District Council will be required to reimburse a holder for a loss incurred discounted to present value. If the fair value of a guarantee cannot be reliably determined, liability is only recognised when it is probable there will be an outflow under the guarantee. The portion of the guarantee that remains unrecognised, prior to discounting to fair value, is disclosed as a contingent liability.

Financial guarantees are subsequently measured at the higher of:

- the estimated amount determined if it is probable there will be an outflow to settle the guarantee; and
- the amount initially recognised less, when appropriate, cumulative amortisation as revenue.

21. BORROWINGS

Borrowings are initially recognised at their fair value plus transaction costs. After initial recognition, all borrowings are measured at amortised cost using the effective interest method.

Borrowings due to be settled within 12 months of balance date are treated as current liabilities. All other borrowing is classified as term liabilities.

22. EQUITY

Equity is the community's interest in Horowhenua District Council and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into the following components.

- retained earnings;
- asset revaluation reserves; and
- other reserves.

Restricted reserves

Restricted reserves are a component of equity generally representing a particular use to which various parts of equity have been assigned. Reserves may be legally restricted or created by Horowhenua District Council. The details of the reserve funds are on pages 20 to 23.

Restricted reserves are those subject to specific conditions accepted as binding by Horowhenua District Council and which may not be revised by Horowhenua District Council without reference to the Courts or a third party. Transfers from these reserves may be made only for certain specified purposes or when certain specified conditions are met.

Also included in restricted reserves are reserves restricted by Council decision. The Council may alter them without references to any third party or the Courts. Transfers to and from these reserves are at the discretion of the Council.

Asset revaluation reserves

This reserve relates to the revaluation of property, plant and equipment to fair value.

23. GOODS AND SERVICES TAX

All items in the financial statements are stated exclusive of GST, except for receivables and payables which are stated on a GST inclusive basis. Where GST is not recoverable as input tax then it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the statement of financial position.

The net GST paid to or received from the IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

24. BUDGET FIGURES

The budget figures are those approved by the Council in its 2018/38 Year 1 of the long term plan. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted by Horowhenua District Council for the preparation of the financial statements.

25. COST ALLOCATION

Horowhenua District Council has derived the cost of service for each significant activity of Horowhenua District Council using the cost allocation system outlined below.

Direct costs are those costs directly attributable to a significant activity. Indirect costs are those costs which cannot be identified in an economically feasible manner with a specific significant activity.

Direct costs are charged directly to significant activities. Indirect costs are charged to significant activities using appropriate cost drivers such as costs and revenues, actual usage, staff numbers and floor area.

26. CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

In preparing these financial statements Horowhenua District Council has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Landfill aftercare provision

Note 16, discloses an analysis of the exposure of Horowhenua District Council in relation to the estimates and uncertainties surrounding the landfill aftercare provision.

Infrastructural assets

There are a number of assumptions and estimates used when performing depreciated replacement cost (DRC) valuations over infrastructural assets. These include:

- The physical deterioration and condition of an asset, for example the Council could be carrying an asset at an amount that does not reflect its actual condition. This is particularly so for assets that are not visible, for example stormwater, wastewater and water supply pipes that are underground. This risk is minimised by Council performing a combination of physical inspections and condition modelling assessments of underground assets;
- Estimating any obsolescence or surplus capacity of an asset;
- Estimates are made when determining the remaining useful lives over which the asset will be depreciated. These estimates can be impacted by the local conditions, for example, weather patterns and traffic growth. If useful lives do not reflect the actual consumption of the benefits of the asset, then Horowhenua District Council could be over or under estimating the annual depreciation charge recognised as an expense through surplus or deficit. To minimise this risk Horowhenua District Council's infrastructural asset useful lives have been determined with reference to the NZ Infrastructural Asset Valuation and Depreciation Guidelines published by the National Asset Management Steering Group and have been adjusted for local conditions based on past experience. Asset inspections, deterioration and condition modelling are also carried out regularly as part of the Horowhenua District Council's asset management planning activities, which gives Horowhenua District Council further assurance over its useful life estimates.

Experienced independent valuers perform the Council's infrastructural asset revaluations.

Refer to Note 11 for the carrying value of these assets.

SECTION C: SIGNIFICANT ACTIVITIES, SERVICE PERFORMANCE, AND FUNDING IMPACT STATEMENTS

A sustainable future for the Horowhenua District has five community outcomes specified in the Council's Strategic Plan:

A healthy local economy and a District that is growing

- We are a welcoming, enabling and business friendly District that encourages economic development
- We have a shared respect for both economic development and environmental protection
- We provide opportunities for people of all ages and at all phases of life to enjoy a standard of living within our District that is economically sustainable and affordable
- We recognise the importance of population growth and actively promote the District as a destination
- Our facilities and infrastructure services are planned and developed to meet future demand

A sustainable environment

- We are proud of our natural environment
- We sustainably manage our environment so it can be enjoyed by future generations
- Waste reduction, recycling, energy conservation and efficiency are promoted as part of how we all live
- We recognise the importance and value of our District's natural capital
- We actively support improving the health of our District's rivers, lakes and waterways

A community of knowledge, culture and diversity where people are proud to live

- We are proud of the heritage and diversity of our District and our people
- We respect each other and what we each contribute to the District through our traditions and culture
- We acknowledge the special role that Tangata Whenua have in our District
- We invest in the knowledge and skills of our people so they can fully participate in society
- We are advocates for the provision of quality social, education, health and training services
- Our communities have a 'sense of place' that make people proud to live here

Safe, resilient and healthy communities

- We have reliable, efficient and well planned infrastructure and services
- We advocate for personal safety and security within our District
- We are organised and prepared to deal with natural hazards
- Our young people live in a safe and supportive environment and are empowered to make positive and healthy lifestyle choices
- Our community has access to health, social and recreation facilities to enjoy long and healthy lives
- Our older people have access to opportunities that enable them to live a satisfying and healthy lifestyle

Positive leadership and effective partnerships

- Our leaders consult with, and understand their communities and work for the good of all
- We provide strong leadership in planning for the District's future
- All our people and communities have the opportunity to participate in local decision making
- We keep our District well-informed and ensure information is easily accessible for all
- We work together with Iwi and Hapū in mutually beneficial partnerships
- All sectors of the community are encouraged to work effectively together to achieve the best for the District

(Please note the outcomes and associated bullet points listed above are not intended to be read as a hierarchal list ordered by importance.)

Section C outlines the activities carried out by the Council in furthering community outcomes.

This part is prepared according to the requirements of the Local Government Act 2002 and the financial reporting standards issued by the External Reporting Board. It reports on the Council's policies, objectives, activities, performance targets, indicative costs and sources of funds as outlined in the 2018/38 LTP Year 1 2018/19. These are reported in the statements of service performance for each significant activity contained on the following pages.

In doing so, the report is a reflection of the Council's accountability to the Horowhenua community and indicates the success (or otherwise) of the Council in fulfilling its intended achievements as it had outlined in the 2018/38 LTP Year 1 2018/19.

The Council continues to strive to incorporate measures which are appropriate, which measure outcomes and which can be supported by relevant evidential material. Each significant activity area as a whole incorporates elements of quality, quantity, timeliness, cost and location (where applicable). Quality processes that affect the quality of the outputs are also a standard feature of the internal management control systems. In particular:

- Published planning documents including the District Plan, asset management plans, revenue and financing policy, investment policy, liability management policy, LTP, annual plans and annual reports are prepared in conjunction and consultation with the public and affected parties, internal peer review and in compliance with the requirements of relevant legislation.
- Internal reports are prepared by suitably qualified and experienced staff and significant reports are subject to peer review.
- Capital works are constructed to design specifications and are inspected by suitably qualified and experienced staff.
- Maintenance works are undertaken by employees or contractors under the supervision of suitably qualified and experienced engineers and are monitored in accordance with maintenance programmes.

The significant activities reported on are:

Regulatory Services: Regulatory Services is a delivery arm of Council that provides advice, consenting services, assessment, education, compliance, and enforcement. The activities that are undertaken within the Regulatory Services group of activities provide for the development and review as well as the implementation and enforcement of plans, bylaws, and policies needed to protect the health and safety of the community and the environment it lives in.

Community Facilities and Services: This group of activities involves the management of community centres, libraries, aquatic centres, reserves, sports grounds, public toilets, public halls and cemeteries as well as for the provision of street beautification within the District.

Land Transport: The Land Transport group of activities provides for pedestrians and vehicle to safely and efficiently move from place to place within the District or to pass through the District.

Stormwater: The Stormwater group of activities involves Council collecting stormwater from roads and diverting it away from the road surface into natural water courses or piped drain systems.

Water Supply: As part of the Water Supply group of activities the Council provides a safe and reliable supply of water to residential, industrial and commercial properties (primarily in urban areas). This supply also provides firefighting capability.

Wastewater Disposal: As part of its Wastewater group of activities the Council collects wastewater from residential, industrial and commercial properties (primarily in urban areas), Council then treats the wastewater, and discharges the treated (i.e. clean) wastewater onto land or into waterways.

Solid Waste Management: The Solid Waste group of activities consists of Council providing services to collect and safely dispose of residential and commercial solid waste.

Community Support: This group of activities comprises of activities that provide for the community's social and economic wellbeing including ensuring that the community will be able to respond to and recover from an emergency event, providing community support, providing grants and funding to community groups, providing visitor information, and encouraging economic development within this District.

Properties: Council owns a variety of community properties from which it delivers its functions whether community driven or by way of facilitating other outcomes e.g. pensioner flats, commercial property, endowment property.

Representation and Community Leadership: This group of activities comprises of how Council meets its responsibility to represent the community as well as to provide leadership for the community and to involve it in decision making processes and long term strategic planning.

For each group of activities it shows the levels of service provided, asset renewals and acquisitions, impacts on community outcomes and funding impact statements for 2018/19.

Regulatory Services

STATEMENT OF SERVICE PERFORMANCE

Regulatory Services is a delivery arm of Council that provides advice, consenting services, assessment, education, compliance, and enforcement. The activities that are undertaken within the Regulatory Services group of activities provide for the development and review as well as the implementation and enforcement of plans, bylaws, and policies needed to protect the health and safety of the community and the environment it lives in.

1. DESCRIPTION OF ACTIVITIES

1.1. District planning

This activity principally involves various Council functions and obligations under the Resource Management Act 1991 designed to ensure the natural and physical resources of the District are sustainably managed.

Generally this activity can be broken down into two core areas being the preparation, review and monitoring of the District Plan and the processing and monitoring of resource consent and other applications made under the Resource Management Act (RMA) 1991.

What does this activity involve?

- Reviewing the District Plan.
- Preparing or processing plan changes/variations and notices of requirements.
- Monitoring the District's state of the environment.
- Monitoring the efficiency and effectiveness of the policies and rules in the District Plan and reporting the results of this monitoring at 5 yearly intervals.
- Processing resource consents and other applications made under the RMA.
- Monitoring and enforcing compliance with resource consent conditions.
- Responding to complaints relating to non-compliances with the District Plan or conditions of resource consents and taking appropriate action when non-compliance is observed.
- Providing advice to the public on the District Plan and RMA.

Rationale

Activity	Community outcome	Council role
Reviewing the District Plan, monitoring the effectiveness of the District Plan, and preparing or processing plan changes/variations.	<ul style="list-style-type: none"> • A healthy local economy and a District that is growing • A sustainable environment • Safe, resilient and healthy communities 	Provider
Processing and monitoring of resource consents.	<ul style="list-style-type: none"> • A healthy local economy and a District that is growing • A sustainable environment 	Regulator/provider

1.2. Environment health

The environmental health activity has two distinct areas being; food safety, which ensures that food services used by the Community are healthy and safe; and general compliance, which ensures that other health legislative requirements are complied with.

What does this activity involve?

- Investigating health complaints and carry out associated enforcement action when necessary/appropriate.
- Inspecting and auditing food premises and premises licensed under the Health Act 1956 to ensure compliance with relevant legislation.
- Providing advice to people wanting to open businesses in this District that require licensing under the Health Act 1956.

Rationale

Activity	Community outcome	Council role
Processing applications for food premises and other premises and undertaking inspections/audits of these premises.	<ul style="list-style-type: none"> • Safe, resilient and healthy communities 	Regulator/provider
Respond to health related complaints and take appropriate action when non-compliance is observed.	<ul style="list-style-type: none"> • A healthy local economy and a District that is growing 	Regulator

1.3. Liquor licensing

This activity involves the monitoring of all licensed premises to ensure that the sale and supply of alcohol is conducted in accordance with the Sale and Supply of Alcohol Act 2012 as well as monitoring licence conditions to ensure that the sale and supply of alcohol is conducted responsibly.

What does this activity involve?

- Processing applications for liquor licences and manager's certificates.
- Monitoring and inspection of all licensed premises to ensure compliance with both legislation and licence conditions.
- Joint undertakings such as "controlled purchase operations" are carried out in conjunction with partner agencies Mid-Central Public Health and New Zealand Police.
- Providing information and advice to customers on licensing requirements.

Rationale

Activity	Community outcome	Council role
Processing application for premises and undertaking inspections.	<ul style="list-style-type: none">• Safe, resilient and healthy communities	Regulator/provider
Respond to complaints relating to non-compliance with liquor licensing requirements and take appropriate action when non-compliance is observed.	<ul style="list-style-type: none">• A healthy local economy and a District that is growing	Regulator

1.4. Building control

This activity is undertaken by the Council to ensure that buildings are safely constructed and so that people have confidence that they are safe to use. The Council has legislative responsibilities for implementing these requirements under the Building Act 2004.

What does this activity involve?

- Processing building consent applications by assessing their compliance with the building code.
- Undertaking inspections of the consented building work to ensure compliance with the approved building consent.
- Respond to complaints relating to non-compliances with the Building Act 2004 and take appropriate action when non-compliance is observed.
- Providing advice to the public on building consent applications and the Building Act 2004.
- Enforcing the provisions of the Building Act 2004 as it refers to pool safety.

Rationale

Activity	Community outcome	Council role
Processing building consent applications and undertaking inspections of the building work to ensure compliance with the consent.	<ul style="list-style-type: none">• A healthy local economy and a District that is growing	Provider
Respond to complaints relating to non-compliances with the Building Act 2004 and take appropriate action when non-compliance is observed.	<ul style="list-style-type: none">• A healthy local economy and a District that is growing	Regulator

1.5. Animal control

This activity principally involves Council administering, implementing, and enforcing the Dog Control Act 1996 and implement or enforcing other relevant legislation from time to time as such the Impounding Act 1955. The Dog Control Act 1996 seeks to improve public safety by mitigating the risk of harm, injury, or nuisance from dogs in our community.

What does this activity involve?

- Registering dogs.
- Patrolling the District on the outlook for animal nuisances.
- Responding to complaints about dogs and livestock.
- Providing impounding facilities for dogs and livestock.
- Educating the public on the responsibilities of dog ownership.
- Protecting against damage to fragile areas.
- Re-homing or euthanizing unclaimed animals.

Rationale

Activity	Community outcome	Council role
Provision of animal control services.	Safe, resilient and healthy communities	Regulator/provider

1.6. Parking enforcement

Council provides on and off-street parking in Levin, including metered and time restricted areas with a goal that people can access car parks. This activity involves the implementation and enforcement of the parking control measures specified in the Council's Land Transport Bylaw 2017.

What does this activity involve?

- Enforcing the parking control measures of the Council's Land Transport Bylaw 2017 including issuing tickets for non-compliances.
- Policing expired vehicle registrations and warrants of fitness.

Rationale

Activity	Community outcome	Council role
Operation of a parking enforcement scheme.	<ul style="list-style-type: none">• Safe, resilient and healthy communities	Regulator

General regulatory services

The General Regulatory Services Activity consists of a number sub-activities undertaken as part of Council's general regulatory functions including bylaw and policy reviews, inspection of non-food premises (such as hairdressers), dealing with abandoned vehicles, following up on noise and litter complaints, and gaming machine venue consents.

What does this activity involve?

- Review or develop relevant bylaws e.g. Council's Public Places Bylaw.
- Inspection of non-food premises for compliance with relevant legislation.
- Respond to general noise complaints Council receives and take appropriate action if noise is considered to be excessive. Note: Council's noise control functions are largely contracted externally.

Rationale

Activity	Community outcome	Council role
Provide general regulatory services.	<ul style="list-style-type: none">• Safe, resilient and healthy communities	Regulator/provider

2. MEASURING PERFORMANCE

Service area	Performance measure 2018-38 LTP Year 1	Target (2018/19)	Actual Performance 2019
Processing of applications under the Resource Management Act (RMA) 1991.	Applications under the RMA will be processed within statutory timeframes.	Achieve	Not Achieved As at 30 June 2019, 228 consents approved. Five consents were processed outside statutory timeframes. Three of these instances were due to an issue with the workflow being incorrect and two were due to errors with administrative processes (which has now been rectified).
Carry out Building Consent Authority functions including enforcement of legislation relating to construction of buildings and structures.	Number of months in which all building consent applications are processed within 20 working days or less.	100% of all applications	Not Achieved As at 30 June 2019, 716 consents were granted. Five of 710 consents were processed in >20 days. One consent (25 days) in July, one (21 days) in September, one (23 days) in October and one in March (21 days) were processed over the 20-day timeframe. One multi-proof consent was processed over the 10-day timeframe. Processes have been reviewed and amended as a result of this and additional monitoring systems have been put in place.
	Council will maintain its accredited status as a Building Consent Authority.	Achieve	Achieved As at 30 June 2019, Council is an accredited BCA. The last accreditation re- assessment was held from 15-18 April 2019, six general non-compliances were raised (2 of which were resolved during the audit) and these will be resolved by 2 August 2019.
Food safety – Food businesses are monitored to ensure compliance with legislation.	Food businesses operating under the Food Act 2014 are verified at the frequency determined by the Food Regulations 2015.	Achieve	Not Achieved As at 30 June 2019, 115 Food businesses have been verified. Four businesses were identified in January where the verification timeframe was not met, this has had a flow on affect for the remaining months of the year (financial). Manual reporting measures have been put in place to ensure no further businesses are affected.
	Food premises operating under the Food Hygiene Regulations 1974 are inspected.	Achieve	Achieved As at 30 November 2018 all food businesses operate under the new Food Regulations 2015 and therefore there are no longer businesses requiring inspection under the Food Hygiene Regulations.

Service area	Performance measure 2018-38 LTP Year 1	Target (2018/19)	Actual Performance 2019
Food Safety – Existing food businesses are provided with assistance to transition onto the requirements of the Food Act 2014.	Food businesses are provided with written material about the Food Act 2014 and have opportunities to attend training sessions/seminars	Achieve	Achieved 100% of third year transitioning food businesses were provided with written material about the Food Act 2014.
Monitoring of licensed premises to ensure compliance with relevant* legislation.	Premises are inspected annually to check for compliance with their licence conditions.	Achieve	Achieved As at 30 June 2019, 70 licensed premises holding 71 operative licences exist. 100% were inspected during the year.
All parking restricted areas in Levin will be enforced under the provisions of Council's Bylaw and the Land Transport Regulations.	Enforcement conducted each working day.	Achieve	Achieved Enforcement has been conducted each working day either by way of Parking warden monitoring and enforcement or via the wider regulatory compliance staff remote monitoring and enforcement.
Carry out territorial authority functions including enforcement of legislation.	Reported cases of illegal building work will be responded to within five working days.	Achieve	Achieved As at 30 June 2019, 16 reported instances have been received by Council. 100% have been responded to within 5 working days
	Percentage of private swimming pools on register inspected annually for compliance.	> 33%	Achieved As at 30 June 2019, 284 pools are on the register. 36% were inspected.
Carry out territorial authority functions including enforcement of legislation.	100% of BWOFs are renewed or Notices to Fix are issued.	Achieve	Achieved As at 30 June 2019, 309 BWOFs are on the register with 5 Notice to Fix's during the year.
Monitoring of District Plan requirements, resource consent compliance and complaints.	Known and reported instances of non-compliances with the District Plan and any resource consents will be responded to within five working days.	Achieve	Achieved As at 30 June 2019, 58 complaints have been received and responded to within five working days.

Service area	Performance measure 2018-38 LTP Year 1	Target (2018/19)	Actual Performance 2019
	All resource consents that are required to be monitored for the year are monitored for compliance with conditions.	Achieve	Achieved As at 30 June 2019, 100% of the 105 resource consents received monitoring during the year.
Reported instances of non-compliances and dog nuisances will be responded to.	Percent of reported instances of non-compliances and dog nuisances will be responded to.	100%	Achieved As at 30 June 2019, 1,108 complaints were received during the year. 100% were responded to.
	An after-hours emergency response will be continuously provided.	Achieve	Achieved The service is provided by staff on a weekly roster.
Registration and classification of all known dogs within the District.	Percent of known dogs that will be registered or accounted for annually by 31 October.	Registration and classification of all known dogs within the District.	Achieved As at 30 June 2019, Of the 6,402 dogs on Council's database, 6,306 were registered (98%). Dog owners of all dogs that were not registered as at 1 September 2018 were visited by Animal Control staff to encourage compliance. As at 31 October 2018, 106 dogs remained unregistered for which dog owners were issued an infringement for failing to register.
Noise complaints response service will be provided.	Noise complaints services are provided all year round and 90% of complaints will be responded to within 60 minutes.	Achieve	Achieved As at 30 June 2019, 1,122 complaints have been received. 95% were responded to within 60 minutes. The service is provided by way of Contract.

Service area	Performance measure 2018-38 LTP Year 1	Target (2018/19)	Actual Performance 2019												
Public safety bylaws and other legislation will be enforced.	Percent of reported non-compliances and complaints that are responded to within five working days.	100%	<p>Achieved As at 30 June 2019, 78 complaints received and responded to, comprising of:</p> <table border="1"> <thead> <tr> <th>Issue</th> <th>Number of complaints</th> </tr> </thead> <tbody> <tr> <td>Smoke</td> <td>8</td> </tr> <tr> <td>Health Act</td> <td>32</td> </tr> <tr> <td>Local Government Act</td> <td>1</td> </tr> <tr> <td>Council Bylaws</td> <td>37</td> </tr> <tr> <td>Total</td> <td>78</td> </tr> </tbody> </table>	Issue	Number of complaints	Smoke	8	Health Act	32	Local Government Act	1	Council Bylaws	37	Total	78
Issue	Number of complaints														
Smoke	8														
Health Act	32														
Local Government Act	1														
Council Bylaws	37														
Total	78														

Service area	Performance measure 2015-25 LTP Year 3	Performance measure 2017-18 AP	Attainment 2018
District planning: Processing of applications under the Resource Management Act (RMA).	Applications under the RMA will be processed within statutory timeframes. Target 100%.	Applications under the RMA will be processed within statutory timeframes. Target 100%.	<p>Achieved As of 30 June 2018: 183 applications have been received and 176 have been approved. 100% of applications were completed within statutory timeframes. Approved subdivisions have resulted in the creation of 142 new allotments.</p> <p>Note: It is possible that the total number of consents approved and still being processed may exceed the total number of applications that have been received. This is due to the fact that the number of applications received cover the period of 1 July in any one year to 30 June the following year, however consents approved or still being processed in the same period will include applications that may have been received in another year but were not completed from a processing perspective in that year.</p>
District planning: Monitoring of District Plan requirements, resource consent compliance and complaints.	Known and reported instances of non-compliance with the District Plan and any resource consents will be responded to and appropriate action will be taken. Target 100% responded to within two working days.	Known and reported instances of non-compliance with the District Plan and any resource consents will be responded to and appropriate action will be taken. Target 100% responded to within two working days.	<p>Achieved As of 30 June 2018: 63 complaints were received. 100% were responded to within two working days.</p>

Service area	Performance measure 2015-25 LTP Year 3	Performance measure 2017-18 AP	Attainment 2018
	Resource consents are monitored for compliance with conditions. Target 100%*. * Interpreted to mean those that required monitoring.	Resource consents are monitored for compliance with conditions. Target 100%*. * Interpreted to mean those that required monitoring.	Not achieved As of 30 June 2018: 100% of consents issued in the 2017/18 year that required monitoring were monitored. 255 historical consents have been identified as requiring monitoring from previous years consents issued. Of the 255 historical consents 155 (61%) were monitored in the 2017/18 year.
District planning: The District Plan provides for a balanced regulatory framework that protects important community and environmental values.	Percent of non-complying resource consents approved as a proportion of all approved consents. Target <10%.	Percent of non-complying resource consents approved as a proportion of all approved consents. Target <10%.	Achieved As of 30 June 2018: Of the 176 consents that were approved, there were two non-complying resource consents approved (1.1%).
Building control: Carry out Building Consent Authority accreditation functions including enforcement of legislation relating to construction of buildings and structures.	Percent of building consent applications granted within 20 working days or less. Target 100% of applications.	Percent of building consent applications granted within 20 working days or less. Target 100% of applications.	Not achieved As of 30 June 2018: 732 consents were granted. 99.8% have been granted <21 days. One consent was processed outside of the timeframe as the application reached the consents team on day 24. Processes have been reviewed. Note: It is possible that the total number of consents approved and still being processed may exceed the total number of applications that have been received. This is due to the fact that the number of applications received cover the period of 1 July in any one year to 30 June the following year, however consents approved or still being processed in the same period will include applications that may have been received in another year but were not completed from a processing perspective in that year.
	Consent applications for new residential dwellings are processed in 18 days or less. Target 100% of applications.	Consent applications for new residential dwellings are processed in 18 days or less. Target 100% of applications.	Not achieved As of 30 June 2018: 223 new residential dwelling consents were granted. 79.8% have been granted within 18 days.
	Reported cases of illegal building work will be responded to within three working days. Target 100% of cases.	Reported cases of illegal building work will be responded to within three working days. Target 100% of cases.	Achieved As of 30 June 2018: There have been 10 reported instances received by Council. 100% have been responded to within three working days.

Service area	Performance measure 2015-25 LTP Year 3	Performance measure 2017-18 AP	Attainment 2018
	Percent of private swimming pools on register inspected annually for compliance. Target is 33% of private swimming pools are inspected.	Percent of private swimming pools on register inspected annually for compliance. Target is 33% of private swimming pools are inspected.	Achieved As of 30 June 2018: There are 256 pools on the register (1/3rd = 86 inspections to be conducted before 30 June 2018). 92 have been inspected.
	Council will maintain its accredited status as a Building Consent Authority (BCA).	Council will maintain its accredited status as a Building Consent Authority (BCA).	Achieved Council is an accredited BCA. The latest assessment was held 26-28 April 2017 and the BCA received re-accreditation with one corrective action requirement which has subsequently been cleared. The next assessment is due in 2019.
Environmental health: Monitoring of food services used by the Community to ensure that they are healthy and safe.	Percent of registered premises that are inspected/audited and graded. Target 100%	Food businesses operating under the Food Act 2014 are verified at the frequency determined by the Food Regulations 2015. Target 100%.	Achieved As of 30 June 2018: 100% of businesses operating under the Food Act 2014 have been verified as required by regulation.
		Food premises operating under the Food Hygiene Regulations 1974 are inspected. Target 100%.	Achieved As of 30 June 2018: Seven premises are operating under the Food Hygiene Regulations. 100% have been inspected.
	Percent of food premises fitting the scope of templated Food Control Plans apply for exemption from the Food Hygiene Regulations 1974. Target 100%.	100% of businesses required to transition in Year 2 of the Act (by 31 March 2018) are provided with written information and access to training / mentoring activities.	Achieved As of 31 March 2018, 100% of food businesses that were required to transition onto the Food Act 2014 by 31 March 2018 have done so.
Liquor licensing: Monitoring of licensed premises to ensure compliance with relevant legislation.	Percent of premises that are inspected annually to check for compliance with their licence conditions. Target 100%.	Percent of premises that are inspected annually to check for compliance with their licence conditions. Target 100%.	Achieved As of 30 June 2018: 72 licensed premises holding 73 operative licences exist. 100% have been inspected during the year.
	Percent of applications for a licence that will be forwarded to public health and the police for comment. Target 100%.	Percent of applications for a licence that will be forwarded to public health and the police for comment. Target 100%.	Achieved As of 30 June 2018: 236 applications for licences or certificates have been received. 100% were forwarded as required.

Service area	Performance measure 2015-25 LTP Year 3	Performance measure 2017-18 AP	Attainment 2018
Animal control: Reported instances of non-compliance and dog nuisance will be responded to.	Percent of reported instances of non-compliance and dog nuisance will be responded to. Target 100%	Percent of reported instances of non-compliance and dog nuisance will be responded to. Target 100%	Achieved As of 30 June 2018: 1,031 complaints have been received. 100% were responded to.
	An after-hours emergency response will be continuously provided.	An after-hours emergency response will be continuously provided.	Achieved The service is provided by staff on a weekly roster.
Animal control: Registration and classification of all known dogs within the District.	Percent of known dogs that will be registered or accounted for annually by 31 October. Target 100%.	Percent of known dogs that will be registered or accounted for annually by 31 October. Target 100%.	Achieved As of 31 October 2017, of the 6,327 known dogs in the District: 6,148 (97%) have been registered. 179 (3%) remain unregistered – infringement notices have been issued. All dogs have now been accounted for as required by the performance measure. They are either registered or the owner has been issued with an infringement notice.
Parking enforcement: All parking restricted areas in Levin will be enforced under the provisions of Council's bylaw and the transport regulations.	Enforcement conducted each working day.	Enforcement conducted each working day.	Achieved Enforcement has been conducted each working day.
General regulatory services: Noise complaints response service will be provided	Noise complaints services are provided all year round and 90% of complaints will be responded to within 60 minutes.	Noise complaints services are provided all year round and 90% of complaints will be responded to within 60 minutes.	Achieved As of 30 June 2018: 1,747 complaints have been received. 97% were responded to within 60 minutes. This service is provided by way of Contract.

Service area	Performance measure 2015-25 LTP Year 3	Performance measure 2017-18 AP	Attainment 2018
<p>General regulatory services: Public safety bylaws and other legislation will be enforced.</p>	<p>Percent of reported non compliances and complaints that are responded to within five working days. Target 100%.</p>	<p>Percent of reported non compliances and complaints that are responded to within five working days. Target 100%.</p>	<p>Achieved As of 30 June 2018: 220 complaints have been received. 100% were responded to within five working days.</p> <p>The breakdown of complaints is as follows:</p> <ul style="list-style-type: none"> • 72 Smoke complaints. • 8 Litter complaints (8 notices issued with 5 progressing to Court). • 114 Abandoned Vehicle reports (23 impounded). • 26 Health Act Nuisance complaints.

3. ACQUISITION AND RENEWAL OF ASSETS

Regulatory Services	LTP Forecast 2018/19 \$000	Actual 2018/19 \$000	Variance \$000	Notes
Renewals (replace existing assets) portion of project				
Mobile ticketing devices	23	7	16	
Total renewal projects	23	7	16	
Level of service portion of project				
Pound - Driveway sealing	25	-	25	
Automatic gate at the pound	-	26	(26)	
Total level of service projects	25	26	(1)	
Growth portion of project				
	-	-	-	
Total growth projects	-	-	-	
Make up of above projects by % of type				
Renewals - Replacing existing assets	23	7	16	
Improve level of service	25	26	(1)	
Growth - To meet additional demand	-	-	-	
Total Regulatory Services projects	48	33	15	

NOTES:

4. IDENTIFIED EFFECTS THAT ANY ACTIVITY WITHIN THE GROUP OF ACTIVITIES HAS HAD ON THE COMMUNITY (LGA 2002 Schedule 10 Part 3, section 23 (d))

The bulk of the Council's expenditure is in the nature of operating and maintenance costs which, in providing stated levels and service and in maintaining the integrity of important assets, contributes to the community outcomes as noted in part one above.

Programmes that had identifiable impacts on the community's outcomes during the year ended 30 June 2019 included:

Community outcomes	Effects of programmes in activity area
Health and safety	Continued delivery of all relevant services in relation to policies and bylaws contributed to the health and safety of the community. Implementation of the Building (Earthquake-prone Buildings) Amendment Act 2016. Review of the Dangerous & Insanitary Buildings Policy 2017 & Prevention of Spread of Fires Involving Vegetation Bylaw 2007.
Economic	Embracing the use of technology to ensure our services are delivered efficiently and within statutory time limits ensures that regulatory processes are not an impediment to economic progress whilst at the same time ensuring that due process is applied correctly. Positive industry engagement with Food businesses following the implementation of the Food Act 2014. Development and implementation of a Risk Management Policy which reduces uncertainty and promotes controlled risk taking for new opportunities.
Knowledge, culture and diversity	Close engagement with key stakeholders when reviewing bylaws and policies ensures community input. Industry engagement with the planning, building, health and liquor activities has produced significant benefits for the Council and the public. Public consultation completed for the Draft Local Alcohol Policy, Gambling Class 4 Venues Policy 2017, TAB Venues Policy 2017, and Dangerous & Insanitary Buildings Policy 2017.

Regulatory Services

HOROWHENUA DISTRICT COUNCIL – FUNDING IMPACT STATEMENT
FOR THE YEAR ENDED 30 JUNE 2019

	LTP Forecast 2018 \$000	Annual Plan Forecast 2018 \$000	LTP Forecast 2019 \$000	Actual 2019 \$000	Variance 2019 \$000
Note					
Sources of operating funding					
General rates, uniform annual general charges, rates penalties	1,974	1,934	1,905	1,907	2
Targeted rates	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-	-
Fees and charges	3	4	9	9	-
Local authorities fuel tax, fines, infringement fees, and other receipts	2,395	2,657	2,849	2,780	(69)
Internal charges and overheads recovered	-	-	-	-	-
Total operating funding (A)	4,372	4,595	4,763	4,696	(67)
Applications of operating funding					
Payments to staff and suppliers	403	397	449	600	151
Finance costs	149	107	-	-	-
Internal charges and overheads applied	3,632	3,986	4,235	4,316	81
Other operating funding applications	-	-	-	-	-
Total applications of operating funding (B)	4,184	4,490	4,684	4,916	232
Surplus (deficit) of operating funding (A-B)	188	105	79	(220)	(299)
Sources of capital funding					
Subsidies and grants for capital expenditure	-	-	-	-	-
Development and financial contributions	-	-	-	-	-
Increase (decrease) in debt	(65)	(17)	(31)	26	57
Gross proceeds from sale of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
Total sources of capital funding (C)	(65)	(17)	(31)	26	57
Applications of capital funding					
Capital expenditure					
- to meet additional demand	-	-	-	-	-
- to improve the level of service	1	52	25	26	1
- to replace existing assets	36	36	23	7	(16)
Increase (decrease) in reserves	86	-	-	(227)	(227)
Increase (decrease) of investments	-	-	-	-	-
Total applications of capital funding (D)	123	88	48	(194)	(242)
Surplus (deficit) of capital funding (C-D)	(188)	(105)	(79)	220	299
Funding balance ((A-B)+(C-D))	-	-	-	-	-
Depreciation	81	81	79	65	(14)
Loans					
	External \$000	Internal \$000	Total \$000		
Loans as at 1/07/2018	-	-	-		
Raised during year	-	26	26		
Repaid during year	-	-	-		
Loans as at 30/06/2019	-	26	26		
Interest expense	-	-	-		

NOTES:

1. This is predominantly due to parking income below budget by \$247k. The budget for parking income included the assumption that the mall car park would be metered. However, Council decided not to proceed with this project during the LTP consultation process.
2. Staff resources were increased for all activities to react to the growth the District is experiencing.
3. Increases above budget necessitate funding from internal resource including cash.

Activity Expenditure	LTP	Annual	LTP	Actual	Variance
	Forecast	Plan	Forecast		
	2018	2018	2019		
	\$000	\$000	\$000	2019	2019
	\$000	\$000	\$000	\$000	\$000
Animal Control	239	240	253	251	(2)
Building Consents	812	1,043	1,119	1,271	152
Building Policy	202	265	289	291	2
Dog Control	600	560	608	562	(46)
Environmental Health	239	264	278	349	71
Environmental Health Policy	51	67	91	97	6
Liquor Licensing	214	204	224	236	12
Liquor Policy	20	33	60	68	8
Parking	508	519	577	472	(105)
Planning Policy	581	548	320	295	(25)
Resource Management	570	585	687	812	125
Safety Licensing	229	242	256	280	24
Total activity expenditure	4,265	4,570	4,762	4,984	222

Community Facilities and Services

STATEMENT OF SERVICE PERFORMANCE

This group of activities provides assets and support for locals and visitors to the District to enjoy our open spaces. These assets support activities that are largely passive or active leisure based pursuits which involve the community from casual participation through to clubs and associations organised on a national level. The ability to take part in social and sporting activities at these levels is important for the quality of life at a community level and for basic health at an individual level. Along with these benefits, the green and open nature of assets in this activity also provides great enhancement to the environment within the District.

1. DESCRIPTION OF ACTIVITIES

1.1. Reserves and beautification

What does this activity involve?

Key to the provision of this activity is ownership of a large number of reserves and parks including (but not limited to) neighbourhood reserves, riverside and lakeside picnic areas, and public gardens. These have management and/or development plans, which have been developed with substantial community involvement. They also allow a diversity of pursuits important to the enjoyment of healthy lifestyles, and are an attraction to visitors. The Council owns 27 sets of public toilets throughout the District which are largely located on reserves.

Rationale

Activity	Community outcome	Council role
Maintain public reserves.	<ul style="list-style-type: none"> A sustainable environment A community of knowledge, culture and diversity where people are proud to live Safe, resilient and healthy communities 	Funder/provider/advocate
Manage a beautification programme across the District.	<ul style="list-style-type: none"> A sustainable environment A community of knowledge, culture and diversity where people are proud to live Safe, resilient and healthy communities 	Funder/provider

1.2. Sports grounds

What does this activity involve?

Sports grounds function as reserves, with added facilities for more organised activities.

Rationale

Activity	Community outcome	Council role
Maintain sports grounds for public use.	<ul style="list-style-type: none"> A healthy local economy and a District that is growing A sustainable environment A community of knowledge, culture and diversity where people are proud to live Safe, resilient and healthy communities Positive leadership and effective partnerships 	Maintain sports grounds for public use.

1.3. Cemeteries

What does this activity involve?

Cemeteries are subject to the Burial and Cremation Act 1964 which states that a local authority shall, where sufficient provision is not otherwise made, establish and maintain a suitable cemetery for the burial of those who die in its District. It is estimated that between 50% and 60% of the deaths registered in the Horowhenua result in interments in Council's cemeteries.

In recent years, there has been a trend towards lawn cemeteries, memorial parks, and cremation.

Cemetery	First burial	1 July 2018 – 30 June 2019	
		Burials	Ashes
Tiro Tiro	1894	5	7
The Avenue	1972	61	73
Foxton	1867	18	12
Shannon	1893	4	4
Manakau	1892	3	1
Koputaroa	1910	-	-

Rationale

Activity	Community outcome	Council role
Operate cemeteries	<ul style="list-style-type: none"> A community of knowledge, culture and diversity where people are proud to live Safe, resilient and healthy communities Positive leadership and effective partnerships 	Funder/provider

1.4. Aquatic centres

Swimming pools provide recreational opportunities that play an important part in the promotion and opportunities for healthy and safe lifestyles in Horowhenua. As part of this activity the Council has two aquatic centres in Levin and Foxton and manages the Shannon school swimming pool during the summer. Aquatic centres provide for a wide range of activities including swim schools, fitness classes, and holiday and social events.

What does this activity involve?

- Providing public swimming pools for general use in Levin (all year round) and Foxton (between December and April) as well as managing the Shannon school swimming pool during the summer.
- Providing facilities for local clubs and organisations to utilise e.g. the Horowhenua Canoe Polo Club.
- Providing a certified swim school in Levin and Foxton.
- Supporting local recreation clubs and organisations to run events off site.
- Providing fitness classes both on and off site.

Rationale

Activity	Community outcome	Council role
Safe aquatic centres are available for community use.	<ul style="list-style-type: none"> Safe, resilient and healthy communities 	Provider
Recreation opportunities are provided for the community.	<ul style="list-style-type: none"> Safe, resilient and healthy communities Positive leadership and effective partnerships 	Provider/advocate

1.5. Community centres and libraries

Community centres and libraries are an important educational, cultural, and recreational resource as they enrich the economic, social and intellectual life of the community. As part of this activity the Council owns the Levin Culture and Community Centre (Te Takeretanga o Kura-hau-pō) as well as the library buildings in Shannon and Foxton.

Previously library services were delivered by the Te Horowhenua Trust. As of 1 July 2016 this was delivered in house with Trust's assets vested back to Council.

Te Awahou Nieuwe Stroom opened to public in November 2017. The facility is a partnership between Horowhenua District Council, Te Taitoa Māori o Te Awahou Trust and the Dutch Connection Trust. It is a multi-cultural tourism and community facility that combines the local library and council services with museums dedicated to the three partner groups.

What does this activity involve?

Council has decided to bring in the services provided by the Te Horowhenua Trust in-house as of 1 July 2016. Previously it delivered the following services in Te Takeretanga o Kura-hau-pō:

- Business support.
- Children’s services and activities.
- Community support.
- Education and learning.
- Events, exhibitions and performances.
- Library services and activities (in Levin, Foxton and Shannon).
- Local and family history.
- Meetings functions and conventions.
- Council service centres.
- Services and facilities for older adults.
- Social lounges and café.
- Te Ao Māori.
- Technology resources and facilities.
- Youth services and activities.
- Visitor information.

Rationale

Activity	Community outcome	Council role
Community centres and libraries operate within the District.	<ul style="list-style-type: none">• A healthy local economy and a District that is growing• A community of knowledge, culture and diversity where people are proud to live• Safe, resilient and healthy communities• Positive leadership and effective partnerships	Funder/provider

2. MEASURING PERFORMANCE

Service area	Performance measure 2018-38 LTP Year 1	Target (2018/19)	Actual Performance 2019							
Reserves are available for Community use.	Residential dwellings in urban areas are within 400 metres to local reserves, either Council or privately provided.	≥ 80%	Achieved As at 30 June 2019 Council has 83% of residential dwellings in urban areas that are within 400 metres to local reserves, either Council or privately provided.							
	Residential dwellings in urban areas are within 800 metres of playgrounds or destination reserves.	≥ 80%	Achieved As at 30 June 2019 Council has 91.6% of residential dwellings in urban areas that are within 800 metres of playgrounds or destination reserves.							
Reserves meet local needs.	Percentage of customers satisfied with the service, based on the Annual Customer Satisfaction Survey.	≥ 80%	Achieved As at 30 June 2019, the 2019 Customer Satisfaction Survey showed that 92.4% of customers were satisfied with the services.							
Playgrounds are safe for users.	Playground facilities comply with relevant National Playground standards.	Achieve	Achieved As at 30 June 2019, 100% of playground facilities complied.							
Sports grounds are available for Community use.	Percent of time that sport grounds are available for use during their opening hours.	95%	Achieved As at 30 June 2019, 100% of sports grounds were available for use during their opening hours.							
Sports grounds meet local needs.	Number of Customer Request Management complaints reporting of ground conditions per annum	< 5	Achieved As at 30 June 2019, 0 complaints have been received.							
Community Halls are available for public use.	Number of uses per fortnight for Community Halls.	10	Achieved As at 30 June 2019,							
			<table border="1"> <thead> <tr> <th>Hall</th> <th>Times used</th> </tr> </thead> <tbody> <tr> <td>Levin Memorial Hall</td> <td>341</td> </tr> <tr> <td>Shannon Memorial Hall</td> <td>19</td> </tr> <tr> <td>Foxtton Memorial Hall</td> <td>8</td> </tr> <tr> <td>Total</td> <td>368</td> </tr> </tbody> </table>	Hall	Times used	Levin Memorial Hall	341	Shannon Memorial Hall	19	Foxtton Memorial Hall
Hall	Times used									
Levin Memorial Hall	341									
Shannon Memorial Hall	19									
Foxtton Memorial Hall	8									
Total	368									
			Average of 14.15 times per fortnight.							

Service area	Performance measure 2018-38 LTP Year 1	Target (2018/19)	Actual Performance 2019						
Safe aquatic facilities are operating in the District.	Compliance with relevant standards including Pool Safe Accreditation.	Achieved	Achieved As at 30 June 2019, Levin = 100% Foxton = 100% Both Foxton and Levin pools have received "Pool Safe" accreditation during February 2019 until April 2020.						
Aquatics centres meet customer needs.	Percent of customers satisfied, based on the Annual Customer Satisfaction Survey.	≥ 90%	Achieved As at 30 June 2019, there was a 92% Satisfaction score for Aquatics Horowhenua in the 2019 Customer Satisfaction Survey (Levin Aquatic Centre 91% and Foxton Aquatic Centre 93%).						
A high quality Swim School operates at the Levin and Foxton Aquatic Centres.	Number of participants in Learn to Swim classes.	≥ 400 per term	Achieved As at 30 June 2019, Term Three = 437 (LAC only as Foxton closed). Term Four = 416 LAC and 76 Foxton Term One (2019) = 459 LAC and 76 Foxton Term Two (2019) = 485 (Foxton closed)						
Local clubs are supported to deliver their own events.	Number of events per year held by clubs- clubs growing and taking ownership of their own events and future.	≥ 5 per year	Achieved As at 30 June 2019, Levin Aquatic Centre. Special Olympics Horowhenua Levin Swim Club (Gala) Special Olympics NZ Interschool's Masters – May 2019						
	Number of events per year for: Children; General public; and Retirees.	≥ 3 ≥ 3 ≥ 3	Achieved As at 30 June 2019, The following events have taken place and been delivered by HDC at aquatic facilities this year. <table border="1" data-bbox="1330 1318 2089 1398"> <thead> <tr> <th>Children</th> <th>General public</th> <th>Retirees</th> </tr> </thead> <tbody> <tr> <td>6</td> <td>7</td> <td>4</td> </tr> </tbody> </table>	Children	General public	Retirees	6	7	4
Children	General public	Retirees							
6	7	4							

Service area	Performance measure 2018-38 LTP Year 1	Target (2018/19)	Actual Performance 2019												
Council provides community facilities for residents, ratepayers, and visitors to access Community services including library services.	Communities with library and community facilities providing an integrated and District wide service.	Levin, Foxton, and Shannon	Achieved As at 30 June 2019 Library Services are delivered in in Levin, Shannon and Foxton.												
Libraries and community facilities meet the public's needs.	Percent of residents and non-residents satisfied with library and Community services based on the Annual Customer Satisfaction Survey.	> 90%	Achieved As at 30 June 2019, the 2019 Customer Satisfaction Survey showed that 90.4% of residents and non-residents were satisfied with Library and Community Services.												
Community facilities are available for public use.	Number of booking counts for community facilities.	≥ 1,200	Achieved As at 30 June 2019, 1,497 bookings have been made for community facilities.												
Customers have access to a range of current information in both print and digital format.	Number of items loaned from the libraries across the District, including books, magazines etc.	≥ 320,000	Not Achieved As at 30 June 2019, Broken down as follows: <table border="1" data-bbox="1332 805 1713 1021"> <thead> <tr> <th>Library</th> <th>Issues</th> </tr> </thead> <tbody> <tr> <td>Levin</td> <td>231,148</td> </tr> <tr> <td>Foxton</td> <td>26,293</td> </tr> <tr> <td>Shannon</td> <td>6,602</td> </tr> <tr> <td>Digital</td> <td>3,940</td> </tr> <tr> <td>Total</td> <td>267,983</td> </tr> </tbody> </table>	Library	Issues	Levin	231,148	Foxton	26,293	Shannon	6,602	Digital	3,940	Total	267,983
	Library	Issues													
Levin	231,148														
Foxton	26,293														
Shannon	6,602														
Digital	3,940														
Total	267,983														
Percent of increase in use of website. (Note: These numbers include statistics for Te Takeretanga o Kura-hau-pō website, OPAC, and Kete Horowhenua.)	+> 1%	Not Achieved As at 30 June 2019: <table border="1" data-bbox="1332 1109 2004 1220"> <thead> <tr> <th></th> <th>2018/19</th> <th>2017/18</th> <th>% change</th> </tr> </thead> <tbody> <tr> <td>Unique users</td> <td>55,767</td> <td>79,416</td> <td>-2%</td> </tr> <tr> <td>Sessions</td> <td>113,667</td> <td>117,454</td> <td>-3%</td> </tr> </tbody> </table>		2018/19	2017/18	% change	Unique users	55,767	79,416	-2%	Sessions	113,667	117,454	-3%	
	2018/19	2017/18	% change												
Unique users	55,767	79,416	-2%												
Sessions	113,667	117,454	-3%												
Customers have access to programmes and initiatives that enhance the wellbeing of the District.	Number of programmes delivered in: Levin Foxton Shannon	≥ 60 ≥ 30 ≥ 10	Achieved As at 30 June 2019, 626 programmes have been delivered. The programmes that have been delivered are broken down as follow: <table border="1" data-bbox="1332 1348 2004 1412"> <thead> <tr> <th>Levin</th> <th>Foxton</th> <th>Shannon</th> </tr> </thead> <tbody> <tr> <td>306</td> <td>157</td> <td>163</td> </tr> </tbody> </table>	Levin	Foxton	Shannon	306	157	163						
Levin	Foxton	Shannon													
306	157	163													

Service area	Performance measure 2015-25 LTP Year 3	Performance measure 2017-18 AP	Attainment 2018
Reserves: Reserves are available for community use.	Sufficient space is available (1 ha/1,000 pop). Target is one.	Sufficient space is available (1 ha/1,000 pop). Target is one.	Achieved As of 30 June 2018: Council has over 100 hectares of space available, which is 3.3 ha/1000 population.
Reserves: Playgrounds are safe for users.	Playground facilities comply with relevant standards. Target is 100%.	Playground facilities comply with relevant standards. Target is 100%.	Achieved As of 30 June 2018: 100% of playground facilities complied.
Halls: Community halls are available for public use.	Number of uses per fortnight for the Levin, Foxton and Shannon Halls. Target is 10.	Number of uses per fortnight for the Levin, Foxton and Shannon Halls. Target is 10.	Achieved As of 30 June 2018: Levin Memorial Hall was used 327 times. Shannon Memorial Hall was used 13 times. Foxton Memorial Hall was used 15 times. Total = 355 times (an average of 13.65 times per fortnight).
Sports grounds: Sports grounds are available for community use.	Percent of time that sport grounds are available for use during their opening hours. Target is 95%.	Percent of time that sport grounds are available for use during their opening hours. Target is 95%.	Achieved As of 30 June 2018: 100% of sports grounds were available for use during their opening hours.
Cemeteries: Cemeteries are managed and maintained to an appropriate standard.	Meet needs according to legal requirements.	Meet needs according to legal requirements.	Achieved As of 30 June 2018: There were no legal or regulatory non-compliance instances identified.
Cemeteries: Cemeteries operate to an acceptable level.	All arrangements and interments at Council cemeteries are made satisfactorily before 24 hours from interment.	All arrangements and interments at Council cemeteries are made satisfactorily before 24 hours from interment.	Achieved As of 30 June 2018: 188 interment arrangements were completed satisfactorily before 24 hours from interment.
Aquatic centres: Safe aquatic facilities are operating in the District.	Compliance with relevant standards including Pool Safe Accreditation. Target is 100%.	Compliance with relevant standards including Pool Safe Accreditation. Target is 100%.	Achieved As of 30 June 2018: Levin = 100% Foxton = 100% Both pools have received "Pool Safe" accreditation. "Pool Safe" certification for the year 2018/2019 was received in March 2018 and lasts until April 2019.

Service area	Performance measure 2015-25 LTP Year 3	Performance measure 2017-18 AP	Attainment 2018						
Aquatic centres: Aquatics Centres meet customer needs.	Percent of customer satisfaction, based on the Annual Customer Satisfaction Survey. Target is 90 % satisfied.	Percent of customer satisfaction, based on the Annual Customer Satisfaction Survey. Target is 90 % satisfied.	<p>Achieved</p> <p>The results of the most recent survey conducted in the 2017/2018 year are as follows:</p> <table border="1"> <thead> <tr> <th>Dissatisfied %</th> <th>Satisfied %</th> </tr> </thead> <tbody> <tr> <td>10%</td> <td>90%</td> </tr> </tbody> </table>	Dissatisfied %	Satisfied %	10%	90%		
Dissatisfied %	Satisfied %								
10%	90%								
Aquatic centres: A high quality Swim School operates at the Levin and Foxton Aquatic Centres.	Number of participants in Learn to Swim classes. Target is 400 per term.	Number of participants in Learn to Swim classes. Target is 400 per term.	<p>Achieved</p> <p>429 = Term Three 465 = Term Four (Foxton included) 509 = Term One (Foxton included) 452 = Term Two</p> <p>As of 30 June 2018, there have been 1,855 out of 1,600 required enrolments in Learn to Swim classes.</p>						
Aquatic centres: Local clubs are supported to deliver their own events.	Number of events per year held by clubs- clubs growing and taking ownership of their own events and future. Target is five per year.	Number of events per year held by clubs- clubs growing and taking ownership of their own events and future. Target is five per year.	<p>Achieved</p> <p>As of 30 June 2018: There have been ten booked events by aquatics user Clubs/Schools at Levin Aquatics Centre this year.</p>						
Aquatic centres: Growing existing events and developing new ones for the following areas; children, general public, and retirees.	Number of events per year for children, general public, and retirees. Target is three events per group each year.	Number of events per year for children, general public, and retirees. Target is three events per group each year.	<p>Achieved</p> <p>The following events have taken place and been delivered by HDC at aquatic facilities this year.</p> <table border="1"> <thead> <tr> <th>Children</th> <th>General public</th> <th>Retirees</th> </tr> </thead> <tbody> <tr> <td>9</td> <td>9</td> <td>3</td> </tr> </tbody> </table>	Children	General public	Retirees	9	9	3
Children	General public	Retirees							
9	9	3							
Libraries: Council provides community facilities for residents, ratepayers, and visitors to access community services including library services.	Communities with library and community facilities providing an integrated and District wider service. Target Levin, Foxton and Shannon.	Communities with library and community facilities providing an integrated and District wider service. Target Levin, Foxton and Shannon.	Achieved Library Services are delivered in Levin, Shannon and Foxton.						
	Percent of residents and non-residents satisfied with library and community services. Target is >85%.	Percent of residents and non-residents satisfied with library and community services. Target is >85%.	<p>Achieved</p> <p>The results of the most recent survey conducted in the 2017/2018 year are as follows:</p> <table border="1"> <thead> <tr> <th>Dissatisfied %</th> <th>Satisfied %</th> </tr> </thead> <tbody> <tr> <td>8%</td> <td>92%</td> </tr> </tbody> </table>	Dissatisfied %	Satisfied %	8%	92%		
Dissatisfied %	Satisfied %								
8%	92%								

Service area	Performance measure 2015-25 LTP Year 3	Performance measure 2017-18 AP	Attainment 2018											
Libraries: Council provides community facilities for residents, ratepayers, and visitors to access community services including library services.	Number of booking counts for community facilities. Target is 380.	Number of booking counts for community facilities. Target is 380.	Achieved As of 30 June: 1,098 bookings have been made for community facilities.											
	Number of visitor counts to Te Takeretanga o Kura-hau-pō, Foxton Library & Service Centre and Shannon Library. Target is 650,000 people across all sites annually.	Number of visitor counts to Te Takeretanga o Kura-hau-pō, Foxton Library & Service Centre and Shannon Library. Target is 650,000 people across all sites annually.	Not achieved As of 30 June: 555,455 people recorded as visited across all sites. However the door counter at Te Takeretanga o Kura-hau-pō was broken during November and December and at Shannon Library and Service Centre from November to January. All door counters have been replaced. The average monthly visitors have been calculated per site and conservatively applied to the months that where the door counters were not operating. The revised total after applying these figures is 642,733.											
Libraries: Customers have access to a range of current information in both print and digital format.	Number of items loaned from the Library across District, including books, magazines etc. Target is 350,000.	Number of items loaned from the Library across District, including books, magazines etc. Target is 350,000.	Not achieved As of 30 June 2018: The total number of issues was 289,679. This was due a large number of books being pulled from the shelves due to age and lack of issues. Next year with an increased budget a more vibrant collection will be available to loan.											
	Percent of increase in use of website. Target is +>1%.	Percent of increase in use of website. Target is +>1%.	Not achieved As of 30 June 2018: <table border="1" data-bbox="1332 954 2011 1066"> <thead> <tr> <th></th> <th>2017/18</th> <th>2016/17</th> <th>% change</th> </tr> </thead> <tbody> <tr> <td>Unique users</td> <td>32,987</td> <td>56,506</td> <td>-42%</td> </tr> <tr> <td>Sessions</td> <td>48,022</td> <td>81,044</td> <td>-41%</td> </tr> </tbody> </table> Note: This measure is for Te Takeretanga o Kura-hau-pō website only. Last year was the launch of the brand new user friendly website which always spikes usage in that year. Also the Te Awahou Riverside Culture Park website was launched this year which may have led to web traffic from residents going to this site for information where previously it was contained only on the Te Takeretanga o Kura-hau-pō website.		2017/18	2016/17	% change	Unique users	32,987	56,506	-42%	Sessions	48,022	81,044
	2017/18	2016/17	% change											
Unique users	32,987	56,506	-42%											
Sessions	48,022	81,044	-41%											
Libraries: Customers have access to programmes and initiatives that enhance wellbeing of the District.	Number of programmes delivered. Target is 100.	Number of programmes delivered. Target is 100.	Achieved As of 30 June 2018: 527 programmes have been delivered.											

3. ACQUISITION AND RENEWAL OF ASSETS

Community Facilities and Services	LTP Forecast 2018/19 \$000	Actual 2018/19 \$000	Variance \$000	Notes
Renewals (replace existing assets) portion of projects				
Levin Aquatic Centre - Analyser replacement	-	27	(27)	
Levin Aquatic Centre - Reseal rear car park	10	12	(2)	
Levin Aquatic Centre - Planned renewals	14	17	(3)	
Foxton Aquatic Centre - Analyser replacement	-	14	(14)	
Foxton Aquatic Centre - Planned renewals	28	25	3	
Foxton Aquatic Centre - Pool equipment	-	7	(7)	
Levin Aquatic Centre - Pool vacuum	1	-	1	
Levin Aquatic Centre - Pool sound system	2	1	1	
Levin Aquatic Centre - Pool ladders	1	-	1	
Foxton Aquatic Centre - Pool vacuum	2	-	2	
Levin Aquatic Centre - Replace the hydroslide	123	24	99	
Levin Aquatic Centre - Teach pool regrouting and tile replacement	-	31	(31)	
Levin Aquatic Centre - Upstairs remodel	-	6	(6)	
Levin Aquatic Centre - VSD main and teach pool	-	16	(16)	
Levin BMS upgrade/ replacement	-	55	(55)	
Pollard management Oxford Street	26	-	26	
Te Takeretanga o Kura-hau-pō audio & visual equipment replacement	26	22	4	
Community hubs - Digital equipment replacement	5	-	5	
Community hubs - Security surveillance replacement	36	-	36	
Te Takeretanga o Kura-hau-pō - Redevelopment of Te Ao Maori space	5	-	5	
Te Takeretanga o Kura-hau-pō - Display cabinets replacement	10	15	(5)	
District halls & pavilions reactive renewals	52	12	40	
Te Takere - Couches and round seats across facility (x 50) in blue, yellow and black	26	-	26	
Te Takere - Urgent replacement couches and seats broken, missing feet	6	-	6	
Te Takere IT urgent IT capital replacement including frameless TV Shannon, HPElite One, public computers	31	29	2	
Te Takere - additional tables across facility; repair and replace	2	-	2	
Te Takere - Office furniture, main desk, Vin	5	-	5	
Te Takere - Exhibition cabinets replace broken and damaged ones	3	-	3	
Te Takere - Recover squab seats along NW wall	2	-	2	
Te Takere - Medium term restock children's team equipment with foam and leather cushions	2	2	-	
Te Takere - Replace boiler in Te Takere	26	-	26	
Library books	225	204	21	
DVD's	15	12	3	
Audio books	8	11	(3)	
Service trolleys	5	3	2	
Te Takeretanga o Kura-hau-pō - Display units	5	4	1	
Shannon - Display units	2	3	(1)	
RFID equipment replacement	10	8	2	
Public toilets - Minor renewals	46	48	(2)	
District play equipment bark mulch	14	15	(1)	
Waitārere dune management - flatten recountour	105	113	(8)	
Reserves renewals	134	136	(2)	
Levin Adventure Park oak tree maintenance and renewal	15	-	15	
Levin Adventure Park playground renewals	161	72	89	
District play equipment	77	57	20	
Holben sound shell & repainting buildings	5	5	-	
Foxton Beach Reserves (FHA)	97	2	95	
Waikawa Beach pedestrian bridge	41	11	30	
Sportsgrounds renewals	154	1	153	
Levin Domain pathways resurface	303	-	303	
Levin Domain replace boundary fencing	22	-	22	
Netball courts - Replace posts Shannon Domain	10	11	(1)	

Community Facilities and Services	LTP Forecast 2018/19 \$000	Actual 2018/19 \$000	Variance \$000	Notes
Vehicles - Replacing GAL191	26	28	(2)	
Total renewal projects	1,925	1,059	865	
Level of service portion of projects				
Levin Aquatic Centre - UV disinfection investigation, and installation	44	-	44	
Levin Aquatic Centre - Supply and extract fans	4	-	4	
Levin Aquatic Centre - Coils	2	-	2	
Levin Aquatic Centre - Pumps	5	-	5	
Levin Aquatic Centre - Plantroom miscellaneous	1	1	-	
Foxton Aquatic Centre - Plantroom miscellaneous	2	2	-	
Levin Aquatic Centre - Hydrotherapy pool cover	2	-	2	
Levin Aquatic Centre - UV treatment	119	-	119	
Levin Aquatic Centre - Hydrotherapy pool louvers	-	10	(10)	
Aquatic Centres - General equipment	2	2	-	
Aquatic Centres -Inflatables	15	15	-	
Foxton Aquatic Centre - Improved disabled access	15	-	15	
Community & Youth space storage area	20	-	20	
Cemetery - Foxton ashes area	24	36	(12)	
Driscoll Reserve Beautification of ex-Ravensdown Manakau Site	-	(1)	1	
Levin Aquatic Centre - PA System	-	6	(6)	
Cemetery - Avenue - Redevelop front entrance and update information signage	60	14	46	
Cemetery - Shannon Burial beams	10	8	2	
Cemetery - Avenue - Extend burial and cremation sites	10	-	10	
Cemetery - Avenue Land Development	9	-	9	
Cemetery - Avenue Rd - Upgrade	191	33	158	
Te Takere - Cupboard upgrade to improve tidiness provide storage	5	-	5	
White Water Park land acquisition	-	49	(49)	
Library Cafe Fixture and Fittings	-	10	(10)	
Te Takere - Install sound system for functions and address H and S issues	10	9	1	
Authority and Trim licenses for new staff from Libraries And Community Centre	5	-	5	
Te Takeretanga o Kura-hau-pō - 4 self-issue machines	20	-	20	
Te Awahou Nieuwe Stroom - 2 self-issue machines	10	-	10	
Computers for Heritage Room at Foxton Library	-	3	(3)	
Shannon - Kiosk machine	10	-	10	
Laptop dispenser with 18 laptops	5	-	5	
Foxton River Loop walkway, viewing and recreation activities	11	-	11	
Foxton wharf project	-	6	(6)	
District fencing contingency	27	30	(3)	
Ihakara Gardens Landscaping	12	1	11	
Waitarere Foreshore Accretion	-	28	(28)	
Waitarere Domain improvement plan	20	18	2	
Driscoll Reserve improvement plan	40	62	(22)	
Stream management plan	30	1	29	
Solway Park Pump Track	50	53	(3)	
Solway Park Pump Track - Grant funded	-	93	(93)	
Benches in high pedestrian use areas	10	10	-	
Reduce sand dune high at Foxton Beach car-park	80	90	(10)	
Hyde Park and Te Maire Park improvements	124	144	(20)	
Te Awahou Nieuwe Stroom	-	16	(16)	
Levin Domain improve access from Salisbury Street	15	-	15	
Donnelly Park improve cricket facilities	67	24	43	
Total level of service projects	1,086	775	311	

Community Facilities and Services	LTP Forecast 2018/19 \$000	Actual 2018/19 \$000	Variance \$000	Notes
Growth portion of projects				
Levin - Feasibility study - Future needs (*below denotes relationship to outcome)	106	-	106	
Cemetery - Foxton ashes area	3	4	(1)	
Cemetery - Shannon burial beams	1	1	-	
Cemetery - Avenue Land development	1	-	1	
Total growth projects	111	5	106	
Make up of above projects by % of type				
Renewals - Replacing existing assets	1,925	1,059	866	
Improve level of service	1,086	775	311	
Growth - To meet additional demand	111	5	106	
Total Community Facilities and Services projects	3,122	1,839	1,283	

NOTES:

1. The Te Awahou Nieuwe Stroom project is over budget as a result in design and consultants fees more than expected. This project was completed November 2017.
2. Site works and fit out actual costs not separated from Te Awahou Nieuwe Stroom build costs.
3. This project has been carried forward to 2018/19 with work to be undertaken following feasibility study of recreational and aquatic facilities.
4. Due to lack of contractor availability work has not progressed. Carried forward to 2018/19.
5. Expenditure is contingent on construction of new surf club. Carried forward to 2018/19.
6. This unbudgeted work is in response to the issue of flooding at the Foxton cemetery.
7. The budget was set under the Reserves activity but the work \$204k coded under Land Transport.
8. The planting component of the Te Awahou Nieuwe Stroom site works project coded to separate project.

4. IDENTIFIED EFFECTS THAT ANY ACTIVITY WITHIN THE GROUP OF ACTIVITIES HAS HAD ON THE COMMUNITY (LGA 2002 Schedule 10 Part 3, section 23 (d))

The majority of the Council's expenditure is in the nature of operating and maintenance costs. This is to provide parks and recreation activities at the stated levels of service and maintaining the integrity of important assets in accordance with the asset management plans.

Programmes that had identifiable impacts on the community's outcomes during the year ended 30 June 2019 included:

Community outcomes	Effects of programmes in activity area
Economic	<p>Council has completed its residential housing stock transfer process to a registered CHP this resulted in a reduction of Council debt of approximately NZD5 million and the passing on of a contingent liability in the form of a suspensory loan of a further NZD5 million to the new provider.</p> <p>Council has completed a sub-division at its roe street site resulting in the relocation of a major manufacturer of pre-formed concrete panels. The relocation will bring somewhere in the region of 20-30 additional jobs to the region.</p> <p>Council has committed to reducing its debt associated with property ownership by reducing its building and land portfolio to core property only by 2038.</p>
Sustainability	<p>Council's cleaning contractors utilise organic/citrus based cleaning products to reduce potential damage to the environment. Council works with its energy provider to monitor energy use in its properties.</p>
A community of knowledge and culture	<p>Te Awahou Nieuwe Stroom has been completed providing a new cultural experience for residents and visitors to the district. The programmes delivered out of the Te Awahou Nieuwe Stroom, in partnership with Te Taitoa Māori o Te Awahou Trust and The Dutch Connection Trust will allow further reach of cultural knowledge and understanding through the district and beyond.</p>
Safe and resilient communities	<p>Council has sold the land that previously housed Jack Allen House to develop a new medical centre. The new medical centre will provide a significant primary health care facility for the area.</p> <p>Council has worked with the social providers from Jack Allen House to develop an upgraded community hub for the benefit of residents and the providers.</p> <p>Council has completed a stock transfer of its pensioner accommodation that will provide a wrap-round service for its senior residents.</p> <p>The Parks and Property team works with Police in 'at risk' communities to improve social outcomes e.g. Solway Park and Morgan Crescent. Council has provided a loan of 50K to assist with the installation of a pump track part funded with Police at Solway park.</p> <p>Council offers community leases to various organisations that facilitate services for the elderly and young. Council offers community rates on a number of its facilities to ensure access is affordable to its population.</p>
Positive leadership and partnerships	<p>The Parks and Property section works with stakeholders including local interest groups and residents associations to deliver community focused outcomes.</p>
Social, health and safety	<p>Aquatic and land based programmes have continued to be delivered district wide and a broad range of rehabilitation and recreation options are offered to the community. A number of programmes also reach out to provide water safety, learn to swim and fitness options to a wide range of the community, including offerings to rural schools and communities. A number of local and regional events have been hosted at the Levin Aquatic Centre, aiding club capacity building. Foxton and Levin Aquatic facilities both received PoolSafe accreditation.</p>

Community Facilities and Services

HOROWHENUA DISTRICT COUNCIL – FUNDING IMPACT STATEMENT
FOR THE YEAR ENDED 30 June 2019

	LTP Forecast 2018 \$000	Annual Plan Forecast 2018 \$000	LTP Forecast 2019 \$000	Actual 2019 \$000	Variance 2019 \$000
Note					
Sources of operating funding					
General rates, uniform annual general charges, rates penalties	4,974	4,853	4,900	4,907	7
Targeted rates	5,916	5,961	6,396	6,401	5
Subsidies and grants for operating purposes	8	72	14	4	(10)
Fees and charges	747	1,319	1,604	1,296	(308)
Local authorities fuel tax, fines, infringement fees, and other receipts	201	232	229	181	(48)
Internal charges and overheads recovered	-	-	-	-	-
Total operating funding (A)	11,846	12,437	13,143	12,789	(354)
Applications of operating funding					
Payments to staff and suppliers	7,794	8,012	8,598	8,011	(587)
Finance costs	1,026	859	960	756	(204)
Internal charges and overheads applied	1,654	2,299	2,243	2,752	509
Other operating funding applications	-	-	-	-	-
Total applications of operating funding (B)	10,474	11,170	11,801	11,519	(282)
Surplus (deficit) of operating funding (A-B)	1,372	1,267	1,342	1,270	(72)
Sources of capital funding					
Subsidies and grants for capital expenditure	-	3,096	-	37	37
Development and financial contributions	-	-	-	-	-
Increase (decrease) in debt	(47)	1,323	1,547	343	(1,204)
Gross proceeds from sale of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
Total sources of capital funding (C)	(47)	4,419	1,547	380	(1,167)
Applications of capital funding					
Capital expenditure					
- to meet additional demand	9	301	111	5	(106)
- to improve the level of service	326	2,361	1,086	775	(311)
- to replace existing assets	751	3,128	1,925	1,059	(866)
Increase (decrease) in reserves	239	(104)	(233)	(189)	44
Increase (decrease) of investments	-	-	-	-	-
Total applications of capital funding (D)	1,325	5,686	2,889	1,650	(1,2239)
Surplus (deficit) of capital funding (C-D)	(1,372)	(1,267)	(1,342)	(1,270)	72
Funding balance ((A-B)+(C-D))	-	-	-	-	-
Depreciation	1,151	932	1,115	1,601	486
Loans					
	External \$000	Internal \$000	Total \$000		
Loans as at 1/07/2018	18,000	1,430	19,430		
Raised during year	2,120	45	2,165		
Repaid during year	(720)	(1,102)	(1,822)		
Loans as at 30/06/2019	19,400	373	19,773		
Interest expense	708	48	756		

NOTES:

1. The below budget expenditure in this area was due to the delay in opening of the Te Awahou Nieuwe Stroom Community Centre
2. This was due to grants for Te Awahou Nieuwe Stroom Community Centres build \$1.52m
 - a. \$1m of the budget was for the Iwi and Dutch museum fit-outs. This was initially recognised in the budget as council income. However, as the fit-out asset is not a Council asset the grant was received on behalf of the partners and not Council Income and therefore not recognised as Council revenue.
 - b. \$500k was in the budget for 2018/19 but was actually recognised last financial year (2018/19) as an accrual.
3. Capital underspend due mainly to Te Awahou Nieuwe Stroom Community Centre fit-out project budget included fit-out costs that included assets that were not Council owned.
4. Apart from the Te Awahou Nieuwe Stroom project showing budget underspend there were a number of projects that were carried over to 2018/19. See the notes under the capital project list for more detail.

Activity Expenditure	LTP	Annual	LTP	Actual	Variance
	Forecast	Plan	Forecast		
	2018	2018	2019		
	\$000	\$000	\$000	\$000	\$000
Cemeteries	369	500	415	417	2
Public Toilets	353	339	338	315	(23)
Beautification	534	675	688	660	(28)
Reserves	2,109	1,811	1,948	1,958	10
Sportsgrounds	1,204	1,145	1,149	1,194	45
Halls	341	253	242	227	(15)
Library Services	3,493	4,216	2,697	3,300	603
Community Services			2,159	1,651	(508)
Aquatic Centres	2,888	2,782	2,897	2,962	65
Urban Cleaning	335	380	385	410	25
Total activity expenditure	11,626	12,101	12,918	13,094	176

Land Transport

STATEMENT OF SERVICE PERFORMANCE

This group of activities provides for pedestrians and vehicles to safely and efficiently move from place to place within the District or to pass through the District. The land transport network of assets allows residents to move from work, school, social and recreation destinations by foot or by vehicle, and enables businesses to run by allowing the exchange of goods and services from location to location.

This network also provides links from local transport routes to national transport routes (i.e. State Highways). This enables the transport of goods and people not just within the District but also in and out of the District, thereby providing critical connections with both wider regional and national destinations.

1. DESCRIPTION OF ACTIVITIES

What does this group of activities involve?

- This group of activities provides the ability for pedestrians and vehicles to efficiently move within and outside of the District. This is achieved by providing a network of roads, footpaths, bridges, car parks, signs and markers, street lights and associated drainage systems in what is known as the 'Transport Corridor'. Most aspects the Land Transport activities are managed internally by Horowhenua District Council's Roading Team. However, the maintenance of the land transport assets is externally contracted.
- This group of activities is heavily influenced by the New Zealand Transport Agency (NZTA), which is Council's co-investment partner for roading and the optimised programme which is approved on a three yearly cycle in the Regional Land Transport Plan. The Council operates, maintains and improves its land transport assets, utilising the budgets set within this programme.
- Central Government provides a high level of direction and regulation for the transportation sector through legislation, strategies, plans, and policy statements. A large proportion of these documents are delivered through the NZTA. Relevant national strategies, legislation and plans are outlined in Council's Transportation Activity Management Plan.

Rationale

Activity	Community outcome	Council role
Maintain a safe and reliable road and footpath system to support private and business transport needs.	<ul style="list-style-type: none">• A healthy local economy and a District that is growing• Safe, resilient and healthy communities	Funder/provider

2. MEASURING PERFORMANCE

Service area	Performance measure 2018-38 LTP Year 1	Target (2018/19)	Actual Performance 2019
A safe road network*.	The change from the previous financial year in the number of fatalities and serious injury crashes on the local road network.	0 change or less from previous year.	Not Achieved The change in the number of fatalities and serious injury crashes on the local road network from the previous financial year is 3. There were 12 serious crash and no fatal crash occurred in council road reserve 2018/19 year. There were 9 serious and 1 fatal crash reported in the previous financial year.
Roads in good condition*.	The average quality of ride on a sealed local road network measured by smooth travel exposure.	Minimum 85%	Achieved As at 30 June 2019, the Smooth Travel Exposure is 91% across the sealed local road network.
Roads that are maintained well*.	The percentage of the sealed local road network that is resurfaced annually.	Minimum of 5% of total area	Not Achieved As at 30 June 2019, 4.47% of the sealed local road network was resurfaced. Increase in price of bitumen has affected the quantity of resurfacing which could be completed. Budgets have been increased for 2019/20 to allow for the increase in cost.
Footpaths are in an acceptable condition*.	Target footpath condition rating (% compliant with Council's standards found in the Land Transport Activity Plan).	Minimum 30% in excellent condition. Maximum 10% in poor condition.	Not Achieved As at 30 June 2019, 13.3% of footpaths are of excellent condition and 5.8% of footpaths are of poor condition. Footpath renewals will continue in the financial year of 2019/2020 (\$400k allocated) and over time the network condition will improve. More areas have been identified and programmed accordingly.
Good response to service requests*.	The percentage of customer service requests relating to roads and footpaths to which Council responds within 15 working days.	> 95%	Achieved As of 30 June 2019, 1,896 CRMs have been received with 96% closed within 15 working days.

* These performance measurements are provided by the Department of Internal Affairs and they are mandatory.

Service area	Performance measure 2015-25 LTP Year 3	Performance measure 2017-18 AP	Attainment 2018
Roads: A safe road network.	The change from the previous financial year in the number of fatalities and serious injury crashes on the local road network. Target is 0 change or less over a five year average.	The change from the previous financial year in the number of fatalities and serious injury crashes on the local road network. Target is 0 change or less over a five year average.	Not achieved The trend in serious injuries and fatalities as an average per year over the last five years is an increase of 0.2. The five year trend is from 2013/2014 to 2017/2018.
	The change from the previous financial year in the number of fatalities and serious injury crashes on the local road network. Target is 0 change or less.*		Not achieved The change in the number of fatalities and serious injury crashes on the local road network from the previous financial year is 11. There were four fatalities and 14 serious injuries for the 2017/18 year.
Roads: Roads in good condition.	The average quality of ride on a sealed local road network measured by smooth travel exposure. Target is a minimum of 85%.	The average quality of ride on a sealed local road network measured by smooth travel exposure. Target is a minimum of 85%.	Achieved The percentage of travel on roads smoother than the threshold for all traffic groupings is 94.7% as of 30 June 2018.
Roads: Roads that are maintained well.	The percentage of the sealed local road network that is resurfaced annually. Target is a minimum of 5% of total area.	The percentage of the sealed local road network that is resurfaced annually. Target is a minimum of 5% of total area.	Achieved 5.4% or 186,716 m2 of the sealed local road network that was resurfaced in the 2017/18 Annual Reseal Programme.
Footpaths: Footpaths are in an acceptable condition.	Target footpath condition rating (% compliant with Councils standards). Target is minimum of 30% in excellent condition and a maximum of 10% in poor condition.	Target footpath condition rating (% compliant with Councils standards). Target is minimum of 30% in excellent condition and a maximum of 10% in poor condition.	Not achieved The system for assessing footpath condition is based over a five year rotating cycle. The condition rating of the entire footpath network will not be completed until 2021. However, a poor condition rating has been determined based on the percentage of actual rating survey completed as at 30 June 2018. It is therefore determined there is no more than 4% in poor condition, 90% in average condition and 6% good to excellent condition. To achieve the 30% in excellent condition as an annual target we would need to complete 49km of renewals in one year. This is not possible as the renewal programme and current budget only allows for 5km of renewals per year.
Land transport: Good response to service requests.	The percentage of customer service requests relating to roads and footpaths to which Council responds within 15 working days. Target is >95%.	The percentage of customer service requests relating to roads and footpaths to which Council responds within 15 working days. Target is >95%.	Achieved As of 30 June 2018: 1,989 CRMs were received, with 95% of requests responded to within 15 working days.

* Mandatory performance measure from the Department of Internal Affairs not included in LTP or annual plan.

3. ACQUISITION AND RENEWAL OF ASSETS

Land Transport	LTP Forecast 2018/19 \$000	Actual 2018/19 \$000	Variance \$000	Notes
Renewals (replace existing assets) portion of projects				
Subsidised - Renewals	2,872	2,818	54	
Subsidised Rooding - Bridge renewals	506	-	506	
Footpath renewals	406	526	(120)	
Total renewal projects	3,784	3,344	440	
Level of service portion of project				
Shared pathways	342	83	259	
New footpaths	304	158	146	
Foxton Townscape Main Street upgrade	-	187	(187)	
Shared pathways - Cycle facilities	406	401	5	
Subsidised - Seal extensions & minor improvements	1,187	706	481	
Subsidised - Road improvements for rail crossings	494	-	494	
Subsidised - Road improvements due to O2NL	507	-	507	
Unsubsidised shared pathways	-	225	(225)	
Subsidised - Road improvements	822	636	186	
Total level of service projects	4,062	2,396	1,666	
Growth portion of project				
	-	-	-	
Total growth projects	-	-	-	
Make up of above projects by % of type				
Renewals - Replacing existing assets	3,784	3,344	440	
Improve level of service	4,062	2,396	1,666	
Growth - To meet additional demand	-	-	-	
Total Land Transport projects	7,846	5,740	2,106	

NOTES:

- Budget reallocated towards more level of service projects relating to Bond street improvements in Foxton Beach.
- Shared pathway budget of \$250k was included under the Reserves activity.

4. IDENTIFIED EFFECTS THAT ANY ACTIVITY WITHIN THE GROUP OF ACTIVITIES HAS HAD ON THE COMMUNITY (LGA 2002 Schedule 10 Part 3, section 23 (d))

The bulk of the Council's expenditure is in the nature of operating and maintenance costs which, in providing stated levels and service and in maintaining the integrity of important assets, contributes to the community outcomes as noted in part one above.

Programmes that had identifiable impacts on the community's outcomes during the year ended 30 June 2019 included:

Community outcomes	Effects of programmes in activity area
Safety	Safety is a major consideration in all road improvement and rehabilitation projects in line with the long term goal for road safety in New Zealand to have "A safe road system increasing free of death and serious injury". The footpaths renewal programme also contributes to pedestrian safety for our community.
Economic	The network is in good condition, fit for purpose and enables efficient travel around the District. There have been minimal road closures during the year due to occurrences such as slips or flooding. This has meant that the District has been able to function effectively from an economic viewpoint.

Land Transport

HOROWHENUA DISTRICT COUNCIL – FUNDING IMPACT STATEMENT FOR THE YEAR ENDED 30 June 2019

	LTP Forecast 2018 Note \$000	Annual Plan Forecast 2018 \$000	LTP Forecast 2019 \$000	Actual 2019 \$000	Variance 2019 \$000
Sources of operating funding					
General rates, uniform annual general charges, rates penalties	-	-	-	-	-
Targeted rates	4,754	4,084	4,110	4,137	27
Subsidies and grants for operating purposes	1,260	1,486	1,647	1,832	185
Fees and charges	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	325	285	340	307	(33)
Internal charges and overheads recovered	-	-	-	-	-
Total operating funding (A)	6,339	5,855	6,097	6,276	179
Applications of operating funding					
Payments to staff and suppliers	2,635	3,066	2,949	3,032	83
Finance costs	185	42	91	46	(45)
Internal charges and overheads applied	935	979	1,001	995	(6)
Other operating funding applications	-	-	-	-	-
Total applications of operating funding (B)	3,755	4,087	4,041	4,073	32
Surplus (deficit) of operating funding (A-B)	2,584	1,768	2,056	2,203	147
Sources of capital funding					
Subsidies and grants for capital expenditure	1,730	2,545	4,368	2,828	(1,540)
Development and financial contributions	-	-	-	-	-
Increase (decrease) in debt	558	1,845	1,891	1,211	(680)
Gross proceeds from sale of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
Total sources of capital funding (C)	2,288	4,390	6,259	4,039	(2,220)
Applications of capital funding					
Capital expenditure					
- to meet additional demand	161	-	-	-	-
- to improve the level of service	811	2,311	4,062	2,396	(1,666)
- to replace existing assets	3,342	4,717	3,784	3,344	(440)
Increase (decrease) in reserves	558	(870)	469	502	33
Increase (decrease) of investments	-	-	-	-	-
Total applications of capital funding (D)	4,872	6,158	8,315	6,242	(2,073)
Surplus (deficit) of capital funding (C-D)	(2,584)	(1,768)	(2,056)	(2,203)	(147)
Funding balance ((A-B)+(C-D))	-	-	-	-	-
Depreciation	4,801	4,778	4,993	5,009	16
Loans					
	External \$000	Internal \$000	Total \$000		
Loans as at 1/07/2018	700	482	1,182		
Raised during year	1,640	9	1,649		
Repaid during year	(40)	(398)	(438)		
Loans as at 30/06/2019	2,300	93	2,393		
Interest expense	30	16	46		

NOTES:

1. Less NZTA subsidy is the result of less work than expected due to delays through weather and lack of contractor resources.
2. This reduced payments to suppliers is directly related to item one above is largely the result of the delay due to weather and contractor resources.
3. Overhead allocations were reduced due to the effect of the Horowhenua Alliance reducing the overall overhead allocated to Roding.
4. More level of service projects relating to Bond street improvements in Foxton Beach were done attracting more capital subsidies.
5. Foxton Beach main Street and shared pathways projects earmarked to be funded from debt were underspent while other projects in Foxton beach were funded from the Foxton Beach Freeholding account and development contribution derived from the Foxton beach subdivision sales.
6. Renewal projects budget reorganised to do more level of service projects.

Activity Expenditure	LTP	Annual	LTP	Actual	Variance
	Forecast	Plan	Forecast		
	2018	2018	2019		
	\$000	\$000	\$000	\$000	\$000
Subsidised Roding	7,097	7,626	7,700	7,585	(115)
Footpaths	1,004	1,007	1,051	1,012	(39)
Shared Pathways	0	0	0	5	5
Unsubsidised Roding	456	232	283	479	196
Total activity expenditure	8,557	8,865	9,034	9,081	47

Stormwater

STATEMENT OF SERVICE PERFORMANCE

The Stormwater group of activities involves Council collecting stormwater from roads and diverting it away from the road surface into natural water courses or piped drain systems.

The provision of stormwater disposal helps to prevent the occurrence of flooding in urban areas during rainfall events by draining water from roads and private property and conveying it to larger natural water courses.

1. DESCRIPTION OF ACTIVITIES

What does this group of activities involve?

- This group of activities provides a system of piped and open drains sufficient to allow the diversion of stormwater away from road surfaces. This is to keep roads in a safe and trafficable condition during rainfall events and to also help reduce the risk of flooding for private properties.
- To provide this group of activities the Council owns piped collection networks, pumping stations, and stormwater detention areas. Stormwater is closely aligned in both location and function with the Land Transport group of activities (more specifically the roading network). This group of activities are managed internally, with the operation and maintenance being contracted out externally.
- Prepare, apply for, and obtain any relevant resource consents Council requires to continue to discharge stormwater or to upgrade assets associated with the Council's stormwater activities.
- Respond to and resolve (if possible) any complaints that Council receives regarding stormwater.
- Council provides this group of activities in accordance with the requirements set out by the following pieces of legislation:
 - The Local Government Act 2002 which requires Council to provide water (including stormwater) services and to maintain its capacity to do so; and
 - The Health Act 1956 which requires Council to provide sanitary works including works for stormwater disposal.

Rationale

Activity	Community outcome	Council role
Maintain a system to divert stormwater away from the road and to protect residential and business properties.	<ul style="list-style-type: none"> • A healthy local economy and a District that is growing 	Funder/provider
Provide a means of ensuring minimal contamination of the receiving water course.	<ul style="list-style-type: none"> • A sustainable environment 	Funder/provider
Ensure that the collection network is reliable and has minimal blockages or overflows.	<ul style="list-style-type: none"> • Safe, resilient and healthy communities 	Funder/provider

2. MEASURING PERFORMANCE

Service area	Performance measure 2018-38 LTP Year 1	Target (2018/19)	Actual Performance 2019								
An adequate stormwater system*.	Number of flooding events that occur in the District.	< 5 per year	Achieved As at 30 June 2019: There were 0 flooding events.								
	For each flooding event the number of habitable floors affected per 1,000 connections to Council's stormwater networks.	2 or less	Achieved As at 30 June 2019: <table border="1"> <thead> <tr> <th>Flooding Event</th> <th>Per 1,000 Connections</th> <th>Habitable Floors Affected</th> </tr> </thead> <tbody> <tr> <td>No flooding events</td> <td>0</td> <td>0</td> </tr> <tr> <td colspan="3">There were 12,740 connections as at 1 July 2018.</td> </tr> </tbody> </table>	Flooding Event	Per 1,000 Connections	Habitable Floors Affected	No flooding events	0	0	There were 12,740 connections as at 1 July 2018.	
Flooding Event	Per 1,000 Connections	Habitable Floors Affected									
No flooding events	0	0									
There were 12,740 connections as at 1 July 2018.											
Response to faults*.	The median response time to attend a flooding event, measured from the time that Council receives notification to the time that service personnel reach the site.	< 1 hour	Achieved As at 30 June 2019: <table border="1"> <thead> <tr> <th>Time</th> <th>Comment</th> </tr> </thead> <tbody> <tr> <td>0</td> <td>No flooding events</td> </tr> </tbody> </table>	Time	Comment	0	No flooding events				
Time	Comment										
0	No flooding events										
Customer satisfaction*.	The number of complaints received by Council about the performance of its stormwater system expressed per 1,000 properties connected to the system.	< 10 per year	Achieved As at 30 June 2019: <table border="1"> <thead> <tr> <th>Per 1,000 Connections</th> <th>No. of Complaints</th> </tr> </thead> <tbody> <tr> <td>0.63</td> <td>8</td> </tr> <tr> <td colspan="2">There were 12,740 connections as at 1 July 2018.</td> </tr> </tbody> </table>	Per 1,000 Connections	No. of Complaints	0.63	8	There were 12,740 connections as at 1 July 2018.			
Per 1,000 Connections	No. of Complaints										
0.63	8										
There were 12,740 connections as at 1 July 2018.											
Customer satisfaction.	Percentage of customers satisfied with the stormwater service. As per the Annual Resident Satisfaction Survey.	≥ 80%	Not Achieved As at 30 June 2019, the 2019 Customer Satisfaction Survey showed that 57.2% of customers were satisfied with the stormwater service.								

Service area	Performance measure 2018-38 LTP Year 1	Target (2018/19)	Actual Performance 2019										
A sustainable stormwater service.	<p>The number of:</p> <p>Abatement Notices; 0</p> <p>Infringement Notices; 0</p> <p>Enforcement Orders; and 0</p> <p>Convictions 0</p> <p>Received by Council in relation to Horizons Regional Council resource consents* for discharge from its stormwater system**</p>		<p>Achieved</p> <p>As at 30 June 2019:</p> <table border="1"> <thead> <tr> <th></th> <th>Year to Date</th> </tr> </thead> <tbody> <tr> <td>Abatement Notice</td> <td>0</td> </tr> <tr> <td>Infringement Notice</td> <td>0</td> </tr> <tr> <td>Enforcement Order</td> <td>0</td> </tr> <tr> <td>Convictions</td> <td>0</td> </tr> </tbody> </table>		Year to Date	Abatement Notice	0	Infringement Notice	0	Enforcement Order	0	Convictions	0
	Year to Date												
Abatement Notice	0												
Infringement Notice	0												
Enforcement Order	0												
Convictions	0												

* These performance measurements are provided by the Department of Internal Affairs and they are mandatory.

** Currently there is no discharge consent for Levin's stormwater.

Service area	Performance measure 2015-25 LTP Year 3	Performance measure 2017-18 AP	Attainment 2018			
Stormwater: An adequate stormwater system.	The number of flooding events that occur in the District is less than five per year.	The number of flooding events that occur in the District is less than five per year.	Achieved As of 30 June 2018, there have been zero reported flooding events. There was one instance where flooding entered a garage which was attached to a house but as there is no internal access to the house from the garage the risk of damage to the living areas of the home was minimal			
Stormwater: Response to faults.	For each flooding event the number of habitable floors affected per 1,000 connections to Council's stormwater networks. Target is two or less.	For each flooding event the number of habitable floors affected per 1,000 connections to Council's stormwater networks. Target is two or less.	Achieved As of 30 June 2018, there have been zero habitable floors affected, which equates to 0.00 per 1,000 connections. There were 12,686 connections.			
	The median response time to attend a flooding event, measured from the time that Council receives notification to the time that service personnel reach the site. Target is one hour.	The median response time to attend a flooding event, measured from the time that Council receives notification to the time that service personnel reach the site. Target is one hour.	Achieved As of 30 June 2018, the median response time to get to site is 0hrs 00mins, due to no flooding events.			
Stormwater: A sustainable stormwater service.	To have 100% compliance with Horizons Regional Council's resource consents for discharge from its Stormwater system measured by receiving none of the below: <ul style="list-style-type: none"> Abatement notices; Infringement notices; Enforcement orders; and Convictions. 	To have 100% compliance with Horizons Regional Council's resource consents for discharge from its Stormwater system measured by receiving none of the below: <ul style="list-style-type: none"> Abatement notices; Infringement notices; Enforcement orders; and Convictions. 	Achieved As of 30 June 2018: <ul style="list-style-type: none"> Abatement Notices = 0 Infringement Notices = 0 Enforcement Orders = 0 Convictions = 0 			
Stormwater: Customer satisfaction.	The number of complaints received by Council about the performance of its stormwater system expressed per 1,000 properties connected to the system. Target <10 per year.	The number of complaints received by Council about the performance of its stormwater system expressed per 1,000 properties connected to the system. Target <10 per year.	Achieved As of 30 June 2018, six complaints were received, which equates to 0.48 per 1,000 connections regarding the performance of our stormwater system. There were 12,686 connections.			
	Percentage of customers satisfied with the stormwater service. As per the Annual Customer Satisfaction Survey. Target is 80%.	Percentage of customers satisfied with the stormwater service. As per the Annual Customer Satisfaction Survey. Target is 80%.	Not achieved The results of the most recent survey conducted in the 2017/2018 year are as follows: <table border="1" data-bbox="1330 1238 1785 1310"> <thead> <tr> <th>Dissatisfied %</th> <th>Satisfied %</th> </tr> </thead> <tbody> <tr> <td>40%</td> <td>60%</td> </tr> </tbody> </table>	Dissatisfied %	Satisfied %	40%
Dissatisfied %	Satisfied %					
40%	60%					

3. ACQUISITION AND RENEWAL OF ASSETS

Stormwater	LTP Forecast 2018/19 \$000	Actual 2018/19 \$000	Variance \$000	Notes
Renewals (replace existing assets) portion of projects				
Districtwide reticulation - Planned renewals	20	14	6	
Districtwide reticulation - Unplanned renewals	51	-	51	
Condition assessment for renewals	15	8	7	
Total renewal projects	86	22	64	
Level of service portion of project				
Tokomaru catchment management plan	56	-	56	
Ohau catchment management plan	56	-	56	
Levin catchment management plan	34	-	34	
Hokio Beach catchment management plan	56	-	56	
Waikawa Beach catchment management plan	56	-	56	
Districtwide improvement works	1,329	254	1,075	
Development planning Foxton Beach	8	5	3	
Development planning Waitārere Beach	-	1	(1)	
Improvements NE Levin	47	23	24	
Ohau - Development planning	8	-	8	
Lake Horowhenua water quality improvement project	147	-	147	
Levin Queen Street	145	88	57	
Queen St discharge & resource consent	81	-	81	
Stormwater telemetry	-	9	(9)	
New Stormwater connections	-	105	(105)	
Stansells Drain land purchase	-	4	(4)	
Hydraulic modelling	50	57	(7)	
Total level of service projects	2,073	546	1,527	
Growth portion of project				
Tokomaru catchment management plan	3	-	3	
Ohau catchment management plan	3	-	3	
Hokio Beach catchment management plan	3	-	3	
Levin catchment management plan	2	-	2	
Waikawa Beach catchment management plan	3	-	3	
Districtwide improvement works	50	10	40	
Development planning Foxton Beach	144	89	55	
Development planning Waitārere Beach	-	10	(10)	
Improvements NE Levin	898	436	462	
Ohau - Development planning	144	-	144	
Levin Tararua industrial development	24	-	24	
Total growth projects	1,274	545	729	
Make up of above projects by % of type				
Renewals - Replacing existing assets	86	22	64	
Improve level of service	2,073	546	1,527	
Growth - To meet additional demand	1,274	545	729	
Total Stormwater projects	3,433	1,113	2,320	

NOTES:

1. Projects not completed in the 2018/19 year and were carried over to 2018/19.
2. Part of the Improvements NE Levin project but coded to a separate project.

4. IDENTIFIED EFFECTS THAT ANY ACTIVITY WITHIN THE GROUP OF ACTIVITIES HAS HAD ON THE COMMUNITY (LGA 2002 Schedule 10 Part 3, section 23 (d))

The bulk of the Council's expenditure is in the nature of operating and maintenance costs which, in providing stated levels and service and in maintaining the integrity of important assets, contributes to the community outcomes as noted in part one above.

Programmes that had identifiable impacts on the community's outcomes during the year ended 30 June 2019 included:

Community outcomes	Effects of programmes in activity area
Environmental and safety	Improvements to stormwater drainage contributed to the environment and safety of the people in the community.

Stormwater

HOROWHENUA DISTRICT COUNCIL – FUNDING IMPACT STATEMENT FOR THE YEAR ENDED 30 June 2019

	LTP Forecast 2018 Note \$000	Annual Plan Forecast 2018 \$000	LTP Forecast 2019 \$000	Actual 2019 \$000	Variance 2019 \$000
Sources of operating funding					
General rates, uniform annual general charges, rates penalties	-	-	-	-	-
Targeted rates	1,470	1,099	1,051	1,058	7
Subsidies and grants for operating purposes	-	-	-	-	-
Fees and charges	-	21	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	104	84	89	56	(33)
Internal charges and overheads recovered	-	-	-	-	-
Total operating funding (A)	1,574	1,204	1,140	1,114	(26)
Applications of operating funding					
Payments to staff and suppliers	408	408	410	218	(192)
Finance costs	283	247	254	259	5
Internal charges and overheads applied	152	164	94	133	39
Other operating funding applications	-	-	-	-	-
Total applications of operating funding (B)	843	819	758	610	(148)
Surplus (deficit) of operating funding (A-B)	731	385	382	504	122
Sources of capital funding					
Subsidies and grants for capital expenditure	-	-	-	-	-
Development and financial contributions	-	-	-	-	-
Increase (decrease) in debt	649	3,630	3,143	819	(2,324)
Gross proceeds from sale of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
Total sources of capital funding (C)	649	3,630	3,143	819	(2,324)
Applications of capital funding					
Capital expenditure					
- to meet additional demand	67	2,686	1,274	545	(729)
- to improve the level of service	770	1,142	2,073	546	(1,527)
- to replace existing assets	60	58	86	22	(64)
Increase (decrease) in reserves	483	129	92	210	118
Increase (decrease) of investments	-	-	-	-	-
Total applications of capital funding (D)	1,380	4,015	3,525	1,323	(2,202)
Surplus (deficit) of capital funding (C-D)	(731)	(385)	(382)	(504)	(122)
Funding balance ((A-B)+(C-D))	-	-	-	-	-
Depreciation	673	500	562	638	76
Loans					
	External \$000	Internal \$000	Total \$000		
Loans as at 1/07/2018	6,600	44	6,644		
Raised during year	1,060	25	1,085		
Repaid during year	(260)	(6)	(266)		
Loans as at 30/06/2019	7,400	63	7,463		
Interest expense	258	1	259		

NOTES:

1. Less than expected loans required due to a number of projects extending into the 2018/19 year.
2. A number of projects not completed in 2018/19 and carried over into 2018/19.

Activity Expenditure	LTP	Annual	LTP	Actual	Variance
	Forecast	Plan	Forecast		
	2018	2018	2019		
	\$000	\$000	\$000	\$000	\$000
Stormwater Drainage	1,515	1,320	1,321	1,248	(73)
Total activity expenditure	1,515	1,320	1,321	1,248	(73)

Water Supply

STATEMENT OF SERVICE PERFORMANCE

As part of the Water Supply group of activities the Council provides a safe and reliable supply of water to residential, industrial and commercial properties (primarily in urban areas). This supply also provides fire-fighting capability.

An uninterrupted water supply ensures that residential areas have access to clean domestic water essential for basic health and hygiene. For most commercial and industrial business owners a reliable water supply is an essential component that enables their business to run.

1. DESCRIPTION OF ACTIVITIES

The Council owns and operates several schemes:

Scheme	Source	Average (m ³ per day)	peak demand (m ³ per day)
Levin	Ohau River	9,492	12,147
Shannon	Mangaore Stream	874	1,141
Foxton	Bore	1,732	2,546
Foxton Beach	Bore	563	1,096
Tokomaru	Tokomaru River	177	263

None of the supplies are fluoridated. They are operated and maintained under contract.

All properties in Foxton Beach are metered. In other schemes only selected consumers are metered, to equitably charge the larger users.

What does this group of activities involve?

- Providing water to defined urban and rural areas in (and land immediately adjoining) Levin, Foxton Beach, Foxton, Shannon and Tokomaru. These urban and rural areas and the controls and standards within them are defined in the Horowhenua District Council Water Supply Bylaw 2014.
- Council owns river intakes, groundwater bores, water treatment plants and storage facilities, pump stations, and underground pipe networks. Council's water supply is managed internally with operation and maintenance work being contracted externally.
- Prepare, apply for and obtain any relevant resource consents that are required to continue to take water from various water sources or to upgrade assets associated with the Water Supply group of activities.
- Respond to and resolve (if possible) any complaints that Council receives regarding its water supply.
- Council provides this group of activities in accordance with the requirements set out by the following pieces of legislation:
 - The Local Government Act 2002 (section 130) which requires Council to continue to provide water services and maintain its capacity to do so;
 - The Health (Drinking Water) Amendment Act 2007 which sets out the legal requirements for water supplies;
 - The Fire Service Act 1975 which sets out conditions of legal access to the public supply for firefighting purposes, and
 - The New Zealand Fire Service Firefighting Water Supplies Code of Practice SNZ PAS 4509:2008 which sets out minimum standards to which the fire-fighting supply is to be provided.

Rationale

Activity	Community outcome	Council role
Maintain a safe and reliable water supply for domestic and business activity use.	<ul style="list-style-type: none"> • A healthy local economy and a District that is growing 	Funder/provider
Ensure that resource consents restricting how much water is used are adhered to through demand management.	<ul style="list-style-type: none"> • A sustainable environment 	Funder/provider
Deliver education to the community to encourage sustainable use of the natural water resource.	<ul style="list-style-type: none"> • A sustainable environment 	Provider/advocate
Ensure that the water supply is safe to drink.	<ul style="list-style-type: none"> • Safe, resilient and healthy communities 	Funder/provider
Ensure that there is adequate supply of water for firefighting.	<ul style="list-style-type: none"> • Safe, resilient and healthy communities 	Funder/provider
Ensure that the water supply can be quickly restored following a natural disaster event.	<ul style="list-style-type: none"> • Safe, resilient and healthy communities 	Funder/provider

2. MEASURING PERFORMANCE

Service area	Performance measure 2018-38 LTP Year 1	Target (2018/19)	Actual Performance 2019												
Safe water supply*.	<p>Council's drinking water supply complies with:</p> <p>(a) part 4 of the Drinking Water Standards (bacteria compliance criteria) in</p> <p>Levin Shannon Foxton Foxton Beach Tokomaru</p>	<p>Achieved Achieved Achieved Achieved Achieved</p>	<p>Achieved</p> <p>As at 30 June 2019;</p> <table border="1"> <thead> <tr> <th>Scheme</th> <th>Year to Date</th> </tr> </thead> <tbody> <tr> <td>Levin</td> <td>100%</td> </tr> <tr> <td>Shannon</td> <td>100%</td> </tr> <tr> <td>Foxton</td> <td>100%</td> </tr> <tr> <td>Foxton Beach</td> <td>100%</td> </tr> <tr> <td>Tokomaru</td> <td>100%</td> </tr> </tbody> </table> <p>From the 1st of July 2018 to the 30th of June 2019, 1,342 samples were collected of which 1,341 were analysed. An alert was received for 1 count of Ecoli from a Levin reservoir sample taken on the 27th of May. All following samples from the reservoir and 2 extra samples taken from the reticulation following the incident came back clear. A transgression report is being prepared, attaching evidence of investigations, for the office of the DWAU.</p> <p>One sample taken from the Levin reservoir on the 20th of October was not tested as it was frozen. The issue was notified to the DWAs with chlorine, turbidity and pH data for the 20th October. Samples taken on the 28th of December did not make it to the lab in time due to courier issues. These were still tested and FAC, pH and turbidity data were sent to the DWAs to verify safety of supply.</p> <p>A reported positive Ecoli result was received for the sample taken on the 1st of January 2019. A report listing investigations done as well as results of consecutive samples after the reservoir and reticulation, was submitted to the DWAs on the 4th of February.</p> <p>1,009 samples complied with the New Zealand Drinking Water Standards (NZDWS) requirements of <1 E.coli.</p>	Scheme	Year to Date	Levin	100%	Shannon	100%	Foxton	100%	Foxton Beach	100%	Tokomaru	100%
Scheme	Year to Date														
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Service area	Performance measure 2018-38 LTP Year 1	Target (2018/19)	Actual Performance 2019																													
Safe water supply*.	(b) part 5 of the Drinking Water Standards (protozoa compliance criteria) in: Levin Shannon Foxton Foxton Beach Tokomaru	Achieved Achieved Achieved Achieved Achieved	<p>Not Achieved</p> <p>As at 30 June 2019:</p> <table border="1"> <thead> <tr> <th>Scheme</th> <th>Year to Date %</th> </tr> </thead> <tbody> <tr> <td>Levin</td> <td>100%</td> </tr> <tr> <td>Shannon</td> <td>99.98%</td> </tr> <tr> <td>Foxton</td> <td>100%</td> </tr> <tr> <td>Foxton Beach</td> <td>100%</td> </tr> <tr> <td>Tokomaru</td> <td>100%</td> </tr> </tbody> </table> <p>Results are based on data collected and displayed in Infrastructure Data. Reported failures for Shannon seems to be due to a faulty unit and is being investigated. Reported failure was due to 3 x 3 minute turbidity events over the month of June 2019.</p>	Scheme	Year to Date %	Levin	100%	Shannon	99.98%	Foxton	100%	Foxton Beach	100%	Tokomaru	100%																	
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Customer Satisfaction*	Percentage of customers not dissatisfied with the service, based on the Annual Customer Satisfaction Survey.	≥ 84%	<p>Not Achieved</p> <p>As at 30 June 2019, the 2019 Customer Satisfaction Survey showed that 73.2% of customers were not dissatisfied with the service.</p>																													
Drinking water that tastes and looks satisfactory*.	The total number of complaints received about any of the following (expressed per 1000 connections): Drinking water clarity; Drinking water taste; Drinking water odour; Drinking water pressure or flow; Continuity of supply; and Council's response to any of these issues. Total:	1 1 1 1 1 1 ≤ 6	<p>Not Achieved</p> <p>As at 30 June 2019:</p> <table border="1"> <thead> <tr> <th rowspan="2"></th> <th colspan="2">Year to Date</th> </tr> <tr> <th>Per 1000 Connections</th> <th>No. of Complaints</th> </tr> </thead> <tbody> <tr> <td>Clarity</td> <td>1.08</td> <td>12</td> </tr> <tr> <td>Taste</td> <td>0.99</td> <td>11</td> </tr> <tr> <td>Odour</td> <td>0.09</td> <td>1</td> </tr> <tr> <td>Pressure or flow</td> <td>2.24</td> <td>25</td> </tr> <tr> <td>Continuity of supply</td> <td>2.60</td> <td>29</td> </tr> <tr> <td>Council's response</td> <td>0.18</td> <td>2</td> </tr> <tr> <td>Total</td> <td>7.18</td> <td>80</td> </tr> <tr> <td colspan="3">Number of properties charged with water rates = 11,136</td> </tr> </tbody> </table>		Year to Date		Per 1000 Connections	No. of Complaints	Clarity	1.08	12	Taste	0.99	11	Odour	0.09	1	Pressure or flow	2.24	25	Continuity of supply	2.60	29	Council's response	0.18	2	Total	7.18	80	Number of properties charged with water rates = 11,136		
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Service area	Performance measure 2018-38 LTP Year 1	Target (2018/19)	Actual Performance 2019												
Firefighting needs are met.	Percentage of sampled network where firefighting flows in urban residential areas meet the NZ Fire Service firefighting water supplies Code of Practice SZ 4509:2008.	≥ 80%	Achieved As at 30 June 2019, Total number of hydrants tested up to December 2018 is 567 and 558 hydrants recorded flows of 12.5L/s or higher giving a percentage of 98%. The rest of the hydrants across the district is planned to be tested before 2021.												
Water supply has adequate flow and pressure.	Network supply pressure at the property boundary is not less than 250kPa for on demand connections and 150kPa for restricted flow connections.	Achieve	Achieved As at 30 June 2019, 100% of water connections checked across the district were measured to be equal to or exceeded pressures of 250kPa at the property boundary.												
Water supply is sustainable*	Average consumption of drinking water per person per day (lpcd) within the water supply areas (target based on Horizons One Plan - Section 5.4.3.1). lpcd – litres per capita per day.	≤ 350 lpcd	Achieved The average consumption for June 2019 = 323 L/capita/day. For the period from July 2018 to 30 June 2019, the average consumption is 328 L/capita/day. Individual supplies are shown in table below: <table border="1" data-bbox="1330 775 1861 1010"> <thead> <tr> <th>Supply</th> <th>Year to Date</th> </tr> </thead> <tbody> <tr> <td>Levin</td> <td>409</td> </tr> <tr> <td>Shannon</td> <td>510</td> </tr> <tr> <td>Foxton</td> <td>325</td> </tr> <tr> <td>Foxton Beach</td> <td>195</td> </tr> <tr> <td>Tokomaru</td> <td>203</td> </tr> </tbody> </table>	Supply	Year to Date	Levin	409	Shannon	510	Foxton	325	Foxton Beach	195	Tokomaru	203
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Service area	Performance measure 2018-38 LTP Year 1	Target (2018/19)	Actual Performance 2019															
Response to faults*.	<p>The median time from the time that Council received notification, to the time that service personnel:</p> <p>Reach the site for urgent call-outs;^</p> <p>Confirm resolution of the fault or interruption of urgent call-outs;^</p> <p>Reach the site for non-urgent call-outs; and^</p> <p>Confirm resolution of the fault or interruption of no-urgent call-outs.^</p>	<p>< 1 hour</p> <p>< 8 hours</p> <p>< 3 days</p> <p>< 3 days</p>	<p>Achieved</p> <p>As at 30 June 2019;</p> <table border="1" data-bbox="1335 296 2056 743"> <thead> <tr> <th data-bbox="1335 296 1565 325"></th> <th data-bbox="1565 296 1715 325">Time</th> <th data-bbox="1715 296 2056 325">Comment</th> </tr> </thead> <tbody> <tr> <td data-bbox="1335 325 1565 424">Reach the site for urgent call-outs</td> <td data-bbox="1565 325 1715 424">0hr 34mins</td> <td data-bbox="1715 325 2056 424">Received 21 urgent call outs and attended to 17 within 1 hour or less.</td> </tr> <tr> <td data-bbox="1335 424 1565 523">Resolution of the fault or interruption of urgent call-outs</td> <td data-bbox="1565 424 1715 523">2hrs 13mins</td> <td data-bbox="1715 424 2056 523">Received 21 urgent call outs and resolved 20 within 8 hours or less.</td> </tr> <tr> <td data-bbox="1335 523 1565 622">Reach the site for non-urgent call-outs</td> <td data-bbox="1565 523 1715 622">4hrs 56mins</td> <td data-bbox="1715 523 2056 622">Received 528 non urgent call outs and attended to 499 within 3 days or less.</td> </tr> <tr> <td data-bbox="1335 622 1565 743">Resolution of the fault or interruption of non-urgent call-outs</td> <td data-bbox="1565 622 1715 743">7hrs 28mins</td> <td data-bbox="1715 622 2056 743">Received 528 non urgent call outs and resolved 496 in 3 days or less.</td> </tr> </tbody> </table>		Time	Comment	Reach the site for urgent call-outs	0hr 34mins	Received 21 urgent call outs and attended to 17 within 1 hour or less.	Resolution of the fault or interruption of urgent call-outs	2hrs 13mins	Received 21 urgent call outs and resolved 20 within 8 hours or less.	Reach the site for non-urgent call-outs	4hrs 56mins	Received 528 non urgent call outs and attended to 499 within 3 days or less.	Resolution of the fault or interruption of non-urgent call-outs	7hrs 28mins	Received 528 non urgent call outs and resolved 496 in 3 days or less.
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Minimal water losses*.	Percentage of real water loss from the network as measured by the standard World Bank Institute Band for Leakage.	Band "B"	<p>Updated</p> <p>As at 28 February 2019,</p> <p>The assessment which determines achievement/non achievement has not taken place. A system for the monitoring of night flow trends, which form the basis of this assessment, is in the process of being implemented for Levin, Shannon and Foxton. Expected completion date is end of February 2019.</p> <p>The pressure management intervention to reduce water losses in Levin is in progress, with the first of four Pressure Reducing Valves commissioned in January 2019. Two more will be installed in this financial year and the fourth in the next year.</p>															

Service area	Performance measure 2018-38 LTP Year 1	Target (2018/19)	Actual Performance 2019										
Sustainable water supply management	<p>The number of:</p> <p>Abatement Notices; 0</p> <p>Infringement Notices; 0</p> <p>Enforcement Orders; and 0</p> <p>Convictions 0</p> <p>Received by Council in relation to Horizons Regional Council resource consents.</p>		<p>Achieved</p> <p>As at 30 June 2019</p> <table border="1"> <thead> <tr> <th></th> <th>Year to Date</th> </tr> </thead> <tbody> <tr> <td>Abatement Notice</td> <td>0</td> </tr> <tr> <td>Infringement Notice</td> <td>0</td> </tr> <tr> <td>Enforcement Order</td> <td>0</td> </tr> <tr> <td>Convictions</td> <td>0</td> </tr> </tbody> </table>		Year to Date	Abatement Notice	0	Infringement Notice	0	Enforcement Order	0	Convictions	0
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Service area	Performance measure 2015-25 LTP Year 3	Performance measure 2017-18 AP	Attainment 2018
<p>Water supply:</p> <p>To provide a reliable supply of safe water.</p>	<p>To ensure the percentage in which the local authority's drinking water supply complies with:</p> <p>a) part 4 of the Drinking Water Standards for New Zealand 2005 (revised 2008) bacterial compliance criteria complies 100% of the time as below:</p> <ul style="list-style-type: none"> Levin Shannon Foxton Foxton Beach Tokomaru 	<p>To ensure the percentage in which the local authority's drinking water supply complies with:</p> <p>a) part 4 of the Drinking Water Standards for New Zealand 2005 (revised 2008) bacterial compliance criteria complies 100% of the time as below:</p> <ul style="list-style-type: none"> Levin Shannon Foxton Foxton Beach Tokomaru 	<p>Not achieved</p> <p>As of 30 June 2018 1,335 of 1,337 (99.85%) of analysed samples complied with the New Zealand Drinking Water Standards (NZDWS) requirements of <1 E.coli.</p> <p>Samples taken at the Levin reservoir on the 9th of September 2017 and the 5th of May 2018 returned positive E.coli results, however subsequent samples taken three consecutive days after were all clear of E.coli for the reservoir.</p>
	<p>b) part 5 of the Drinking Water Standards for New Zealand 2005 (revised 2008) protozoa compliance criteria complies 100% of the time as below:</p> <ul style="list-style-type: none"> Levin Shannon Foxton Foxton Beach Tokomaru 	<p>b) part 5 of the Drinking Water Standards for New Zealand 2005 (revised 2008) protozoa compliance criteria complies 100% of the time as below:</p> <ul style="list-style-type: none"> Levin Shannon Foxton Foxton Beach Tokomaru 	<p>Not achieved*</p> <ul style="list-style-type: none"> Levin: 80.5% ** Shannon: 99.2% Foxton: 100% Foxton Beach: 100% Tokomaru: 89.3% <p>** Protozoa compliance for Levin included the time that commissioning and handover processes were being completed. The next financial year's results will not have these disruption.</p>

Service area	Performance measure 2015-25 LTP Year 3	Performance measure 2017-18 AP	Attainment 2018																											
<p>Demand management: To ensure the water supply is sustainable.</p>	<p>To ensure the average consumption of drinking water per day per resident within the water supply areas is 300lt per day (target based on One Plan Section 6.4.3.1).</p>	<p>To ensure the average consumption of drinking water per day per resident within the water supply areas is 300lt per day (target based on One Plan Section 6.4.3.1).</p>	<p>Not achieved</p> <table border="1" data-bbox="1317 256 1899 483"> <thead> <tr> <th data-bbox="1317 256 1675 288">Supply</th> <th data-bbox="1675 256 1899 288">Year to date</th> </tr> </thead> <tbody> <tr> <td data-bbox="1317 288 1675 320">Levin</td> <td data-bbox="1675 288 1899 320">482</td> </tr> <tr> <td data-bbox="1317 320 1675 352">Foxton</td> <td data-bbox="1675 320 1899 352">456</td> </tr> <tr> <td data-bbox="1317 352 1675 384">Foxton Beach</td> <td data-bbox="1675 352 1899 384">332</td> </tr> <tr> <td data-bbox="1317 384 1675 416">Shannon/Mangaore</td> <td data-bbox="1675 384 1899 416">681</td> </tr> <tr> <td data-bbox="1317 416 1675 448">Tokomaru</td> <td data-bbox="1675 416 1899 448">269</td> </tr> </tbody> </table>	Supply	Year to date	Levin	482	Foxton	456	Foxton Beach	332	Shannon/Mangaore	681	Tokomaru	269															
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<p>Customer satisfaction: To have drinking water that tastes and looks satisfactory.</p>	<p>The total number of complaints received about any of the following (expressed per 1,000 connections) is no more than four complaints about each of the following:</p> <ul style="list-style-type: none"> • Drinking water clarity • Drinking water taste • Drinking water odour • Drinking water pressure or flow • Continuity of supply; and • The Council's response to any of these issues. 	<p>The total number of complaints received about any of the following (expressed per 1,000 connections) is no more than four complaints about each of the following:</p> <ul style="list-style-type: none"> • Drinking water clarity • Drinking water taste • Drinking water odour • Drinking water pressure or flow • Continuity of supply; and • The Council's response to any of these issues. 	<p>Not achieved</p> <p>As of 30 June 2018:</p> <table border="1" data-bbox="1317 576 2033 970"> <thead> <tr> <th data-bbox="1317 576 1585 667"></th> <th data-bbox="1585 576 1809 667">Number per 1,000 connections</th> <th data-bbox="1809 576 2033 667">Number of Complaints</th> </tr> </thead> <tbody> <tr> <td data-bbox="1317 667 1585 699">Total</td> <td data-bbox="1585 667 1809 699">9.31</td> <td data-bbox="1809 667 2033 699">121</td> </tr> <tr> <td data-bbox="1317 699 1585 730">Clarity</td> <td data-bbox="1585 699 1809 730">2.69</td> <td data-bbox="1809 699 2033 730">35</td> </tr> <tr> <td data-bbox="1317 730 1585 762">Taste</td> <td data-bbox="1585 730 1809 762">1.46</td> <td data-bbox="1809 730 2033 762">19</td> </tr> <tr> <td data-bbox="1317 762 1585 794">Odour</td> <td data-bbox="1585 762 1809 794">0.23</td> <td data-bbox="1809 762 2033 794">3</td> </tr> <tr> <td data-bbox="1317 794 1585 826">Pressure or flow</td> <td data-bbox="1585 794 1809 826">2.62</td> <td data-bbox="1809 794 2033 826">34</td> </tr> <tr> <td data-bbox="1317 826 1585 858">Continuity of supply</td> <td data-bbox="1585 826 1809 858">2.23</td> <td data-bbox="1809 826 2033 858">29</td> </tr> <tr> <td data-bbox="1317 858 1585 890">Council response</td> <td data-bbox="1585 858 1809 890">0.08</td> <td data-bbox="1809 858 2033 890">1</td> </tr> <tr> <td colspan="3" data-bbox="1317 890 2033 970">Total number of connections as of 30 June 2018 = 13,000</td> </tr> </tbody> </table> <p>Non achievement is due to an increased number of complaints for taste and clarity received in November and December from Foxton Beach and Levin. Scarification works in Levin due to low inflow into the plant resulted in taste issues for both months while the cessation of the weekly flushing at Foxton Beach due to high demand caused the increased complaints on clarity.</p>		Number per 1,000 connections	Number of Complaints	Total	9.31	121	Clarity	2.69	35	Taste	1.46	19	Odour	0.23	3	Pressure or flow	2.62	34	Continuity of supply	2.23	29	Council response	0.08	1	Total number of connections as of 30 June 2018 = 13,000		
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Service area	Performance measure 2015-25 LTP Year 3	Performance measure 2017-18 AP	Attainment 2018															
Fault response:	<p>The median time from the time that Council received notification to the time that service personnel:</p> <ul style="list-style-type: none"> Attendance for urgent call-outs; from the time that Council receives notification to the time that service personnel reach the site is one hour or less. Resolution of urgent call-outs: from the time that Council receives notification to the time that service personnel confirm resolution of the fault or interruption is eight hours or less. Attendance for non-urgent call-outs: from the time that Council receives notification to the time that service personnel reach the site is three days or less. Resolution of non-urgent call-outs: from the time that Council receives notification to the time that service personnel confirm resolution of the fault or interruption is three days or less. 	<p>The median time from the time that Council received notification to the time that service personnel:</p> <ul style="list-style-type: none"> Attendance for urgent call-outs; from the time that Council receives notification to the time that service personnel reach the site is one hour or less. Resolution of urgent call-outs: from the time that Council receives notification to the time that service personnel confirm resolution of the fault or interruption is eight hours or less. Attendance for non-urgent call-outs: from the time that Council receives notification to the time that service personnel reach the site is three days or less. Resolution of non-urgent call-outs: from the time that Council receives notification to the time that service personnel confirm resolution of the fault or interruption is three days or less. 	<p>Achieved As of 30 June 2018:</p> <table border="1" data-bbox="1317 296 2105 762"> <thead> <tr> <th>Item</th> <th>Result</th> <th>Comment</th> </tr> </thead> <tbody> <tr> <td>Median Time to reach the site for urgent call-outs</td> <td>0hrs 31mins</td> <td>Received 28 urgent call-outs and attended to 22 within one hour or less</td> </tr> <tr> <td>Median Time for resolution of the fault or interruption of urgent call-outs</td> <td>1hr 51mins</td> <td>Received 28 urgent call-outs and resolved 24 within eight hours or less</td> </tr> <tr> <td>The median time to reach the site for non-urgent call-outs</td> <td>15hrs 02mins</td> <td>Received 582 non-urgent call-outs and attended to 548 within three days or less.</td> </tr> <tr> <td>The median time for resolution of the fault or interruption of non-urgent call-outs</td> <td>17hrs 13mins</td> <td>Received 582 non-urgent call-outs and resolved 536 in three days or less.</td> </tr> </tbody> </table>	Item	Result	Comment	Median Time to reach the site for urgent call-outs	0hrs 31mins	Received 28 urgent call-outs and attended to 22 within one hour or less	Median Time for resolution of the fault or interruption of urgent call-outs	1hr 51mins	Received 28 urgent call-outs and resolved 24 within eight hours or less	The median time to reach the site for non-urgent call-outs	15hrs 02mins	Received 582 non-urgent call-outs and attended to 548 within three days or less.	The median time for resolution of the fault or interruption of non-urgent call-outs	17hrs 13mins	Received 582 non-urgent call-outs and resolved 536 in three days or less.
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<p>Shutdowns: To ensure water supply is continual.</p>	<p>To ensure the total number of unplanned water shutdowns is less than 30 per year.</p>	<p>To ensure the total number of unplanned water shutdowns is less than 30 per year.</p>	<p>Achieved Number of unplanned water shut downs for the year = 13 See table below for breakdown:</p> <table border="1" data-bbox="1317 1066 1984 1321"> <thead> <tr> <th></th> <th>Result</th> </tr> </thead> <tbody> <tr> <td>Total shutdowns reported</td> <td>20</td> </tr> <tr> <td>Total unplanned shut downs</td> <td>13</td> </tr> <tr> <td>Average unplanned shutdown length in hours</td> <td>3.70</td> </tr> <tr> <td>Reasons for shutdown (most of)</td> <td>Burst Main</td> </tr> <tr> <td>Average # of homes affected</td> <td>25</td> </tr> </tbody> </table>		Result	Total shutdowns reported	20	Total unplanned shut downs	13	Average unplanned shutdown length in hours	3.70	Reasons for shutdown (most of)	Burst Main	Average # of homes affected	25			
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Reasons for shutdown (most of)	Burst Main																	
Average # of homes affected	25																	

Service area	Performance measure 2015-25 LTP Year 3	Performance measure 2017-18 AP	Attainment 2018
Firefighting: To ensure firefighting needs are met.	To ensure 80% of the network where firefighting flows in urban residential areas meet the NZ Fire Service Fire Fighting Water Supplies Code of Practice SNZ 4509:2008.	To ensure 80% of the network where firefighting flows in urban residential areas meet the NZ Fire Service Fire Fighting Water Supplies Code of Practice SNZ 4509:2008.	Not measured The firefighting standard requires fire hydrants to be tested every five years. Previously all hydrants were tested annually. During the 2017-18 year no hydrants were tested. Last financial year 93% of all hydrants were compliant. During the next financial year 20% of hydrants will be tested with all hydrants to be tested during the next five years.
Supply pressure: To ensure water supply has adequate flow and pressure.	To ensure 100% of the network where supply pressure at the property boundary is not less than 250KPa for on demand connections and 150KPa for restricted flow connections.	To ensure 100% of the network where supply pressure at the property boundary is not less than 250KPa for on demand connections and 150KPa for restricted flow connections.	Not achieved 98.95% (660 out of 667) of all water connections checked across the district up to 30 June 2018 exceeded pressures of 250kPa at the property boundary. Of the seven readings which were less than 250 kPa, five were taken from two properties with internal leaks. Note: For properties connected as a restricted connection, a certain pressure is required for those properties to be able to get their required number of units. With no complaints about reduction in units it implies that the required pressures are being achieved at the boundaries of properties served by restrictors.
Water take: To ensure consent conditions are met.	To ensure 100% compliance with water take limits of resource consents.	To ensure 100% compliance with water take limits of resource consents.	Achieved As of 30 June 2018, 100% of water take consents complied with limits.
Water conservation: To provide water conservation education to the public.	To provide water conservation education to the public as provided in the Water Demand Management Plan 2014.	To provide water conservation education to the public as provided in the Water Demand Management Plan 2014.	Achieved As part of the water restrictions that were imposed across the district from November 2017 to February 2018 water conservation education was provided in the communications with the public.

Service area	Performance measure 2015-25 LTP Year 3	Performance measure 2017-18 AP	Attainment 2018
Water loss: Minimal water losses.	To ensure the percentage of real water loss from the network as measured by the standard Infrastructure Leakage Index method is 15% or less.	To ensure the percentage of real water loss from the network as measured by the standard Infrastructure Leakage Index method is 15% or less.	<p>Not achieved</p> <p>Percentage of real water loss from the network as measured by the standard Infrastructure Leakage Index method doesn't make sense; the ILI is not a % measurement. The ILI is a dimensionless performance indicator that relates the current level of real water loss to the unavoidable level of real water loss in a system, taking into account the length of pipes, number of connections and average operating pressure. As such it is a metric benchmarking for performance comparison with other water suppliers.</p> <p>With reference to the recommendation in the NZ Water Loss Guidelines (p18), this measurement can be changed to the IWA Performance Indicator Litres/service connection/day (Op 27). This is the preferable process benchmarking of progress towards reaching target for reductions in real losses, and should be the basis for ongoing monitoring.</p> <p>Based on ILI the target for all supplies will be to achieve a WBI Band B – between two and four.</p> <p>Using Litres/service connection/day will have different targets for each supply</p> <p>A water loss study was in September 2017 for all supplies, the results are as follows:</p>

Snapshot Daily Leakage													Snapshot Infrastructure Leakage Index	
Supply	Number of connections	Length of mains (kms)	Conn/km	AZNP (Meters)	NDF (Hours/Day)	% Water loss*	M ³ / day	Conn/km>20: Litres/connection s/ day	Conn/km>20 : M ³ / km/ day	95% Conf. Limits	Night Leakage Rate (M ³ / hour)	Unavoidable Annual Real Losses (m ³ /hr)	ILI (dimensionless)	WBI Band
Foxton	1,180	29.3	40	35.9	22.6	25.8%	464.4	393.58		6.2%	20.55	2.20	9.34	D
Foxton Beach	1,600	26.4	61	39.1	23.5	6.9%	30.6	19.09		62.3%	1.30	2.86	0.45	A
Shannon	727	23.3	31	48.3	23.9	61.2%	427.4	587.88		5.8%	17.88	2.01	8.88	D
Mangaore	35	2.6	14	50.8	24.1	54.2%	24.4	-	9.48	54.6%	1.01	0.16	6.43	C
Tokomaru	206	6.0	34	30.7	23.9	34.5%	51.7	251.18		7.3%	2.17	0.35	6.19	C
Levin	8,415	215.2	39	75.9	23.7	44.0%	3,957.0	470.23		10.6%	166.96	33.54	4.98	C

*Note that the % Water Loss is shown as indicative only and should not be used as a performance indicator. When losses are expressed as a % of System Input (or Water Supplied) volume, the resulting figure is heavily influenced by the consumption. I.e. when consumption per service connection changes (lower in winter) the % real losses changes (increases) even if Real Losses volume per day remains the same.

Leak detection was performed in Shannon on the Mangaore supply network and repairs to the leaks identified have already achieved a 20% reduction in daily consumption. Further leak detection activities will be planned for problem areas

3. ACQUISITION AND RENEWAL OF ASSETS

Water Supply	LTP Forecast 2018/19 \$000	Actual 2018/19 \$000	Variance \$000	Notes
Renewals (replace existing assets) portion of projects				
Foxton reticulation - Renewals	87	2	85	
Foxton Beach Edingburg Terrace bore- Renewal	-	5	(5)	
Shannon - Mangaore consents- Renewal	-	24	(24)	
Foxton water treatment plant - Renewals	446	222	224	
Foxton Beach consents - Renewal	-	31	(31)	
Foxton Beach reticulation - Renewals	156	7	149	
Foxton Beach treatment plant - Renewals	56	70	(14)	
Levin reticulation - Renewals	1,342	3,741	(2,399)	
Levin treatment plant - Renewals	253	199	54	
Reactive renewals - District wide	152	228	(76)	
Condition assessment for renewals	51	61	(10)	
Shannon - Mangaore reticulation - Renewals	44	1	43	
Shannon treatment plant - Renewals	76	101	(25)	
Tokomaru consents - Renewals	-	109	(109)	
Tokomaru treatment plant - Renewals	10	28	(18)	
Total renewal projects	2,673	4,829	(2,156)	
Level of service portion of project				
Foxton concrete reservoir and raw water tanks	75	248	(173)	
Shannon new water connections	-	7	(7)	
Levin new water connections	-	121	(121)	
Foxton new water connections	-	5	(5)	
Foxton Beach new water connections	-	26	(26)	
Foxton Beach green sand filters	-	35	(35)	
dNet loggers and oNet PRV control systems	-	19	(19)	
Levin clarifier installation	30	1	29	
Levin treatment plant upgrade	201	-	201	
Levin Tararua industrial development	30	-	30	
Levin reticulation - Demand management	251	448	(197)	
Hydraulic modelling	20	55	(35)	
Tokomaru new water connections	-	4	(4)	
Tokomaru treatment plant - LOS	150	37	113	
Total level of service projects	757	1,006	(249)	
Growth portion of project				
Foxton Beach development plan	183	-	183	
Levin growth area	204	84	120	
Ohau future supply of water services	26	-	26	
Waitāreere Beach future supply of water services	26	-	26	
Total growth projects	439	84	355	
Make up of above projects by % of type				
Renewals - Replacing existing assets	2,673	4,829	(2,156)	
Improve level of service	757	1,006	(249)	
Growth - To meet additional demand	439	84	355	
Total Water projects	3,869	5,919	(2,050)	

NOTES:

- Not originally included in the 2018/19 annual plan but the underspent budget for the Levin treatment plant upgrade reallocated for the work.
- The overspend a result of significant change in project scope by continuing renewals along Weraroa Road.
- Work towards Tokomaru consents carried over to 2018/19.
- The overspend relates to the unbudgeted spend on the new timber reservoir at Tokomaru.
- The carryover from 2016/17 used for other water supply projects.
- Additional costs to come so the budget has been carried over to 2018/19.

4. IDENTIFIED EFFECTS THAT ANY ACTIVITY WITHIN THE GROUP OF ACTIVITIES HAS HAD ON THE COMMUNITY (LGA 2002 Schedule 10 Part 3, section 23 (d))

The bulk of the Council's expenditure is in the nature of operating and maintenance costs which, in providing stated levels and service and in maintaining the integrity of important assets, contributes to the community outcomes being as noted in part one above.

Programmes that had identifiable impacts on the community's outcomes during the year ended 30 June 2019 included:

Community outcomes	Effects of programmes in activity area
Health, economic and safety	The purpose of the water supply activity is to provide a safe and reliable water supply to residential, industrial, commercial and rural properties within serviced areas. Council owns and runs water networks to ensure that public health is protected at low cost. In addition, provision of water supply supports growth and economy of the community.

Water Supply

HOROWHENUA DISTRICT COUNCIL – FUNDING IMPACT STATEMENT FOR THE YEAR ENDED 30 June 2019

	LTP Forecast 2018 Note \$000	Annual Plan Forecast 2018 \$000	LTP Forecast 2019 \$000	Actual 2019 \$000	Variance 2019 \$000
Sources of operating funding					
General rates, uniform annual general charges, rates penalties	-	-	-	-	-
Targeted rates	6,230	5,713	6,561	6,696	135
Subsidies and grants for operating purposes	-	-	-	-	-
Fees and charges	-	26	123	176	53
Local authorities fuel tax, fines, infringement fees, and other receipts	170	122	136	42	(94)
Internal charges and overheads recovered	-	-	-	-	-
Total operating funding (A)	6,400	5,861	6,820	6,914	94
Applications of operating funding					
Payments to staff and suppliers	2,120	2,131	2,999	3,322	323
Finance costs	859	645	640	502	(138)
Internal charges and overheads applied	1,002	1,054	479	757	278
Other operating funding applications	-	-	-	-	-
Total applications of operating funding (B)	3,981	3,830	4,118	4,581	463
Surplus (deficit) of operating funding (A-B)	2,419	2,031	2,702	2,333	(369)
Sources of capital funding					
Subsidies and grants for capital expenditure	-	-	-	-	-
Development and financial contributions	-	-	-	-	-
Increase (decrease) in debt	(356)	466	685	1,628	944
Gross proceeds from sale of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
Total sources of capital funding (C)	(356)	466	685	1,628	944
Applications of capital funding					
Capital expenditure					
- to meet additional demand	24	122	439	84	(355)
- to improve the level of service	192	912	758	1,006	248
- to replace existing assets	1,584	1,862	2,672	4,829	2,157
Increase (decrease) in reserves	263	(399)	(482)	(1,958)	(1,467)
Increase (decrease) of investments	-	-	-	-	-
Total applications of capital funding (D)	2,063	2,497	3,387	3,961	574
Surplus (deficit) of capital funding (C-D)	(2,419)	(2,031)	(2,702)	(2,333)	369
Funding balance ((A-B)+(C-D))	-	-	-	-	-
Depreciation	2,250	1,996	2,566	2,668	102
Loans					
	External \$000	Internal \$000	Total \$000		
Loans as at 1/07/2018	12,000	887	12,887		
Raised during year	2,700	14	2,714		
Repaid during year	(500)	(585)	(1,085)		
Loans as at 30/06/2019	14,200	316	14,516		
Interest expense	472	30	502		

NOTES:

1. Changing to using the Horowhenua Alliance as contractor has moved costs that were previously overhead to payments to suppliers. There is also more accuracy in allocating costs through the Alliance invoicing.
2. Budget underspend for level of service projects resulted in less debt required.
3. More renewal projects completed with budget allocated from level of service project.
4. More depreciation fund used to fund the more than budgeted renewal projects.

Activity Expenditure	LTP	Annual	LTP	Actual	Variance
	Forecast	Plan	Forecast		
	2018	2018	2019		
	\$000	\$000	\$000	2019	2019
	\$000	\$000	\$000	\$000	\$000
Foxton Water	727	755	1,059	962	(97)
Foxton Beach Water	731	765	823	829	6
Levin Water	3,748	3,269	3,625	4,201	576
Shannon Water	744	736	750	848	98
Tokomaru Water	280	300	426	408	(18)
Total activity expenditure	6,230	5,825	6,683	7,248	565

Wastewater

STATEMENT OF SERVICE PERFORMANCE

As part of its Wastewater group of activities the Council collects wastewater from residential, industrial and commercial properties (primarily in urban areas), Council then treats the wastewater, and discharges the treated (i.e. clean) wastewater onto land or into waterways.

The collection, transportation, treatment, and safe discharge of wastewater from urban properties ensures a basic level of health; by continually removing potentially hazardous waste from populated urban environments and cleaning this waste before discharging it into a receiving environment.

1. DESCRIPTION OF ACTIVITIES

The Council owns and operates several schemes:

Scheme	Treatment	Disposal
Levin	Screening, sedimentation, biological filtration and oxidation	To land (pine plantation)
Waitāreere Beach	Oxidation ditch	To land (pine plantation)
Shannon	Oxidation pond	To land (Velvaleen farm)
Foxton	Oxidation pond	To Manawatū River loop
Foxton Beach	Oxidation pond	To land (pasture)
Tokomaru	Oxidation pond	To land (wetland)

The wastewater systems are operated and maintained under contract.

What does this group of activities involve?

- This group of activities provides for the collection, transportation, treatment, and disposal of residential, commercial, and industrial wastewater through urban schemes in Levin, Foxton, Foxton Beach, Shannon, Tokomaru and Waitāreere Beach.
- Council owns piped collection networks, pumping stations throughout each network, treatment plants, and discharge facilities which includes land. The Council's wastewater network is managed internally with the operation and maintenance of each scheme being externally contracted.
- Prepare, apply for and obtain any relevant resource consents that are required to continue to discharge treated waste to land and water or to upgrade assets associated with the Wastewater group of activities.
- Respond to and resolve (if possible) any complaints that Council receives regarding its wastewater network.
- This group of activities is provided in accordance with the requirements set out by the following pieces of legislation:
 - The Local Government Act 2002 which requires Council to provide water (including wastewater) services and maintaining its capacity to do so;
 - The Health Act 1956 which requires Council to provide sanitary works including works for sewage (i.e. wastewater) disposal; and
 - The Resource Management Act 1991 which places the specific requirement on Council to incorporate Tangata Whenua interests into its decision making processes.

Rationale

Activity	Community outcome	Council role
Maintain the safe collection, treatment, and disposal of wastewater produced by residential and business activities.	<ul style="list-style-type: none"> • A healthy local economy and a District that is growing. 	Funder/provider
Ensure that resource consent conditions on the quality of discharges are met.	<ul style="list-style-type: none"> • A sustainable environment. 	Funder/provider
Ensure that the collection network is reliable and has minimal blockages or overflows.	<ul style="list-style-type: none"> • Safe, resilient and healthy communities. 	Funder/provider

2. MEASURING PERFORMANCE

Service area	Performance measure 2018-38 LTP Year 1	Target (2018/19)	Actual Performance 2019												
Reliable wastewater collection and disposal*.	The number of dry weather wastewater overflows from the wastewater system per 1000 connections.	≤ 2	<p>Achieved As at 30 June 2019:</p> <table border="1"> <thead> <tr> <th></th> <th colspan="2">Year to Date</th> </tr> <tr> <th></th> <th>Per 1000 Connections</th> <th>No. of Overflows</th> </tr> </thead> <tbody> <tr> <td>Number of overflows</td> <td>0.75</td> <td>10</td> </tr> <tr> <td colspan="3">Number of connections as at 01 July 2018 - 13,385</td> </tr> </tbody> </table>		Year to Date			Per 1000 Connections	No. of Overflows	Number of overflows	0.75	10	Number of connections as at 01 July 2018 - 13,385		
	Year to Date														
	Per 1000 Connections	No. of Overflows													
Number of overflows	0.75	10													
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Safe disposal of wastewater*.	<p>The number of:</p> <p>Abatement Notices; Infringement Notices; Enforcement Orders; and Convictions</p> <p>Received by Council in relation to Horizons Regional Council resource consents.</p>	<p>0 0 0 0</p>	<p>Achieved As at 30 June 2019:</p> <table border="1"> <thead> <tr> <th></th> <th>Year to Date</th> </tr> </thead> <tbody> <tr> <td>Abatement Notice</td> <td>0</td> </tr> <tr> <td>Infringement Notice</td> <td>0</td> </tr> <tr> <td>Enforcement Order</td> <td>0</td> </tr> <tr> <td>Convictions</td> <td>0</td> </tr> </tbody> </table>		Year to Date	Abatement Notice	0	Infringement Notice	0	Enforcement Order	0	Convictions	0		
	Year to Date														
Abatement Notice	0														
Infringement Notice	0														
Enforcement Order	0														
Convictions	0														
Council provides a good response to wastewater system faults reported*.	The median time (hrs) from the time that Council receives a notification, to the time that services personnel reach the site in responding to an overflow resulting from a wastewater blockage or other fault.*	< 1 hour	<p>Achieved As at 30 June 2019:</p> <table border="1"> <thead> <tr> <th></th> <th>Year to Date</th> </tr> </thead> <tbody> <tr> <td>Response time</td> <td>0hr 28mins</td> </tr> </tbody> </table>		Year to Date	Response time	0hr 28mins								
	Year to Date														
Response time	0hr 28mins														
A sustainable stormwater service.	The median time (hrs) from the time that Council receives a notification, to the time that services personnel confirm a resolution of a blockage or other fault within the wastewater system causing the overflow.*	< 12 hours	<p>Achieved As at 30 June 2019:</p> <table border="1"> <thead> <tr> <th></th> <th>Year to Date</th> </tr> </thead> <tbody> <tr> <td>Response time</td> <td>2hrs 11mins</td> </tr> </tbody> </table>		Year to Date	Response time	2hrs 11mins								
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Service area	Performance measure 2018-38 LTP Year 1	Target (2018/19)	Actual Performance 2019																							
The service is satisfactory*	The total number of complaints received (expressed per 1000 connections to the wastewater system) regarding: Wastewater odour; Wastewater systems faults; Wastewater system blockages; and Council's response to issues with its wastewater system. Total number of complaints received about any of the above.	 < 4 < 6 < 8 < 4 < 22	<p>Achieved</p> <p>As at 30 June 2019:</p> <table border="1"> <thead> <tr> <th rowspan="2"></th> <th colspan="2">Year to Date</th> </tr> <tr> <th>Per 1000 Connections</th> <th>No. of Complaints</th> </tr> </thead> <tbody> <tr> <td>Odour</td> <td>0.88</td> <td>11</td> </tr> <tr> <td>Faults</td> <td>1.04</td> <td>13</td> </tr> <tr> <td>Blockages</td> <td>6.10</td> <td>76</td> </tr> <tr> <td>Council's Response</td> <td>0.00</td> <td>0</td> </tr> <tr> <td>Total</td> <td>8.02</td> <td>100</td> </tr> <tr> <td colspan="3">Number of connections as at 1 July 2018 = 12,468</td> </tr> </tbody> </table>		Year to Date		Per 1000 Connections	No. of Complaints	Odour	0.88	11	Faults	1.04	13	Blockages	6.10	76	Council's Response	0.00	0	Total	8.02	100	Number of connections as at 1 July 2018 = 12,468		
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Number of connections as at 1 July 2018 = 12,468																										
	Percentage of customers not dissatisfied with the service, based on the Annual Customer Satisfaction Survey.	≥ 84%	<p>Not achieved</p> <p>As at 30 June 2019, the 2019 Customer Satisfaction Survey showed that 77.3% of customers were not dissatisfied with the service.</p>																							

Service area	Performance measure 2015-25 LTP Year 3	Performance measure 2017-18 AP	Attainment 2018																					
Wastewater: To provide a reliable system of wastewater collection and disposal.	To ensure the number of dry weather overflows from the wastewater system is less than two per 1,000 connections.	To ensure the number of dry weather overflows from the wastewater system is less than two per 1,000 connections.	Achieved As of 30 June 2018, there have been 0.65 (per 1,000 connections) dry weather overflows, which equates to eight events. There were 12,312 connections.																					
Fault response: To ensure Council provides a good response to faults reported.	To ensure the median time (hours) from the time that Council receives a notification to the time that services personnel reach the site in responding to an overflow or wastewater blockage is less than one hour.	To ensure the median time (hours) from the time that Council receives a notification to the time that services personnel reach the site in responding to an overflow or wastewater blockage is less than one hour.	Achieved As of 30 June 2018, the median response time to overflows was 11 minutes. As of 30 June 2018, the median response time to overflows and blockages was 27 minutes.																					
	To ensure the median time (hours) from the time that Council receives a notification to the time that services personnel confirm resolution of the blockage or other fault within the wastewater system will be no more than 12 hours.	To ensure the median time (hours) from the time that Council receives a notification to the time that services personnel confirm resolution of the blockage or other fault within the wastewater system will be no more than 12 hours.	Achieved As of 30 June 2018, the median resolution time to overflows was 2 hours 22 minutes. As of 30 June 2018, the median resolution time to overflows, faults and blockages was 2 hours 5 minutes.																					
Customer satisfaction: To ensure the service is satisfactory for its customers.	To ensure the total number of complaints received (expressed per 1,000 connections to the wastewater system) regarding: <ul style="list-style-type: none"> Wastewater odour, target is < five. Wastewater systems faults, target is < eight. Wastewater system blockages, target is eight. The Council's response to issues with its wastewater system, target is eight Total number of complaints received about any of the above, target is < 29. 	To ensure the total number of complaints received (expressed per 1,000 connections to the wastewater system) regarding: <ul style="list-style-type: none"> Wastewater odour, target is < five Wastewater systems faults, target is < eight Wastewater system blockages, target is eight The Council's response to issues with its wastewater system, target is eight Total number of complaints received about any of the above, target is < 29. 	Not achieved As at 30 June 2018: <table border="1" data-bbox="1317 850 1995 1177"> <thead> <tr> <th>Issue</th> <th>Number per 1,000 connection</th> <th>Number of complaints</th> </tr> </thead> <tbody> <tr> <td>Total</td> <td>7.56</td> <td>93</td> </tr> <tr> <td>Odour</td> <td>0.41</td> <td>5</td> </tr> <tr> <td>System faults</td> <td>1.71</td> <td>21</td> </tr> <tr> <td>System blockages</td> <td>5.36</td> <td>66</td> </tr> <tr> <td>Council response</td> <td>0.08</td> <td>1</td> </tr> <tr> <td colspan="3">Total number of connection as of 30 June 2017 = 12,312</td> </tr> </tbody> </table>	Issue	Number per 1,000 connection	Number of complaints	Total	7.56	93	Odour	0.41	5	System faults	1.71	21	System blockages	5.36	66	Council response	0.08	1	Total number of connection as of 30 June 2017 = 12,312		
Issue	Number per 1,000 connection	Number of complaints																						
Total	7.56	93																						
Odour	0.41	5																						
System faults	1.71	21																						
System blockages	5.36	66																						
Council response	0.08	1																						
Total number of connection as of 30 June 2017 = 12,312																								
Customer satisfaction: To ensure the service is satisfactory for its customers.	To ensure the percentage of customers satisfied with their wastewater service, based on the Annual Customer Satisfaction Survey is at least 84%.	To ensure the percentage of customers satisfied with their wastewater service, based on the Annual Customer Satisfaction Survey is at least 84%.	Achieved The results of the most recent survey conducted in the 2017/2018 year are as follows: <table border="1" data-bbox="1317 1337 1771 1412"> <thead> <tr> <th>Dissatisfied %</th> <th>Satisfied %</th> </tr> </thead> <tbody> <tr> <td>16%</td> <td>84%</td> </tr> </tbody> </table>	Dissatisfied %	Satisfied %	16%	84%																	
Dissatisfied %	Satisfied %																							
16%	84%																							

Service area	Performance measure 2015-25 LTP Year 3	Performance measure 2017-18 AP	Attainment 2018
<p>Discharge compliance: To ensure safe disposal of wastewater.</p>	<p>To ensure Council's compliance in relation to Horizons Regional Council resource consents for discharge from its wastewater systems measured by receiving none of the below:</p> <ul style="list-style-type: none"> • Abatement notices; • Infringement notices; • Enforcement orders; and • Convictions 	<p>To ensure Council's compliance in relation to Horizons Regional Council resource consents for discharge from its wastewater systems measured by receiving none of the below:</p> <ul style="list-style-type: none"> • Abatement notices; • Infringement notices; • Enforcement orders; and • Convictions 	<p>Achieved As of 30 June 2018:</p> <ul style="list-style-type: none"> • Abatement Notices = 0 • Infringement Notices = 0 • Enforcement Orders = 0 • Convictions = 0

3. ACQUISITION AND RENEWAL OF ASSETS

Wastewater	LTP Forecast 2018/19 \$000	Actual 2018/19 \$000	Variance \$000	Notes
Renewals (replace existing assets) portion of projects				
Condition assessment for renewals	61	42	19	
Districtwide reticulation - Unplanned renewals	173	37	136	
Foxtan Reticulation - Renewals	183	142	41	
Foxtan Beach - Reticulation renewals	14	-	14	
Foxtan Beach wastewater treatment plant - Planned renewals	188	-	188	
Foxtan Beach wastewater treatment plant - Unplanned renewals	17	-	17	
Foxtan Beach wastewater treatment plant - Strategic upgrade	169	22	147	
Foxtan wastewater treatment plant - Planned renewals	17	-	17	
Foxtan Wastewater treatment plant - Pond desludge	736	373	363	
Foxtan wastewater treatment plant - Unplanned renewals	18	76	(58)	
Levin reticulation - Renewals	1,104	1,571	(467)	
Levin treatment plant - Planned renewals	1,730	335	1,395	
Levin treatment plant - Unplanned renewals	89	1	88	
Levin wastewater treatment plant - POT	504	87	417	
Shannon wastewater treatment plant - Planned renewals	164	87	77	
Shannon wastewater treatment plant - Unplanned renewals	24	12	12	
Tokomaru wastewater treatment plant - Consent renewal	19	141	(122)	
Tokomaru wastewater treatment plant - Planned renewals	22	1	21	
Tokomaru wastewater treatment plant - Unplanned renewals	6	4	2	
Waitāre wastewater treatment plant - Planned renewals	89	10	79	
Waitāre wastewater treatment plant - Strategic upgrade	52	12	40	
Waitāre wastewater treatment plant - Unplanned renewals	9	1	8	
Total renewal projects	5,388	2,954	2,434	
Level of service portion of project				
District reticulation - Planned pump renewals	25	2	23	
Levin pump stations - Strategic upgrade	253	3	250	
Foxtan Beach wastewater treatment plant - Strategic upgrade	202	27	175	
Shannon wastewater disposal system	-	5	(5)	
Waitāre new sewer connections	-	13	(13)	
Levin new sewer connections	-	130	(130)	
Foxtan new sewer connections	-	5	(5)	
Shannon new sewer connections	-	11	(11)	
Foxtan Beach new sewer connections	-	31	(31)	
Forestry at the Pot - MfE trial of native ecosystem planting	-	212	(212)	
Forestry at the pot	-	226	(226)	
Hydraulic modelling	30	9	21	
Levin wastewater treatment plant - Strategic upgrade POT	505	516	(11)	
Shannon pump stations - Strategic upgrade	90	-	90	
Waitāre Beach pump stations - Strategic upgrade	101	-	101	
Foxtan Beach wastewater treatment plant - Strategic upgrade	-	-	-	
Foxtan wastewater treatment plant - Pond desludge	81	41	40	
Foxtan wastewater treatment plant - Strategic upgrade	2,534	1,230	1,304	
Levin wastewater treatment plant - Strategic upgrade	313	120	193	
Tokomaru new sewer connections	-	5	(5)	
Tokomaru wastewater to land project	632	578	54	
Waitāre wastewater treatment plant - Strategic upgrade	471	107	364	
Total level of service projects	5,237	3,271	1,966	

Growth portion of project			
Development planning Foxton Beach	132	5	127
Development work - North East Levin	-	6	(6)
Levin Tararua industrial development	89	-	89
Levin - Network upgrades - Pump stations	760	1	759
Levin growth area - Wastewater	654	89	565
Ohau future supply of wastewater services	26	3	23
Development planning Waitārere Beach	162	10	152
Total growth projects	1,823	114	1,709
Make up of above projects by % of type			
Renewals - Replacing existing assets	5,388	2,954	2,434
Improve level of service	5,237	3,271	1,966
Growth - To meet additional demand	1,823	114	1,709
Total Wastewater projects	12,448	6,339	6,109

NOTES:

1. Unspent budget carried over to 2018/19.
2. Ministry trial of native ecosystem planting was Ministry for the Environment funded.
3. Increase in scope funded lower renewals elsewhere.
4. Renewal works on the pump and treatment plant barrier were not required and other works could not be progressed in 2018/19 due to uncontrollable circumstances and delayed works the result of skilled labour shortage.
5. The projects are at consent stage and are carried over to 2018/19.
6. Waiting for the consent to progress the project so is carried over to 2018/19.
7. Preliminary work on this project to lead into the LTP.

4. IDENTIFIED EFFECTS THAT ANY ACTIVITY WITHIN THE GROUP OF ACTIVITIES HAS HAD ON THE COMMUNITY (LGA 2002 Schedule 10 Part 3, section 23 (d))

The bulk of the Council's expenditure is in the nature of operating and maintenance costs which, in providing stated levels and service and in maintaining the integrity of important assets, contributes to the community outcomes as noted in part one above.

Programmes that had identifiable impacts on the community's outcomes during the year ended 30 June 2019 included:

Community outcomes	Effects of programmes in activity area
Health and safety	Greater public awareness of the wastewater activity through public consultation. Investigations for disposal options and upgrades include consultation and consideration of cultural issues
Environmental	Maintenance and operational improvements to treatment facilities resulting in improvements to effluent quality. Ongoing monitoring of the receiving environment results in better understanding and proactive intervention where required to protect the environment. Improvements to discharges through capital upgrade projects.
Safety	Wastewater treated in an effective way to minimise harm to the community.
Economic	Levels of service were maintained during 2018/19 to the community.

Wastewater

HOROWHENUA DISTRICT COUNCIL – FUNDING IMPACT STATEMENT FOR THE YEAR ENDED 30 June 2019

	LTP Forecast 2018 \$000	Annual Plan Forecast 2018 \$000	LTP Forecast 2019 \$000	Actual 2019 \$000	Variance 2019 \$000
Note					
Sources of operating funding					
General rates, uniform annual general charges, rates penalties	-	-	-	-	-
Targeted rates	6,721	6,375	6,890	6,900	10
Subsidies and grants for operating purposes	-	-	-	-	-
Fees and charges	1,275	1,193	1,058	1,432	374
Local authorities fuel tax, fines, infringement fees, and other receipts	56	53	177	108	(69)
Internal charges and overheads recovered	-	-	-	-	-
Total operating funding (A)	8,052	7,621	8,125	8,440	315
Applications of operating funding					
Payments to staff and suppliers	2,495	2,505	2,411	2,721	310
Finance costs	1,649	1,081	1,072	844	(228)
Internal charges and overheads applied	711	726	435	785	350
Other operating funding applications	-	-	-	-	-
Total applications of operating funding (B)	4,855	4,312	3,918	4,350	432
Surplus (deficit) of operating funding (A-B)	3,197	3,309	4,207	4,090	(117)
Sources of capital funding					
Subsidies and grants for capital expenditure	-	-	304	674	370
Development and financial contributions	-	-	-	-	-
Increase (decrease) in debt	5,506	4,650	8,030	1,840	(6,190)
Gross proceeds from sale of assets	-	-	-	548	548
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
Total sources of capital funding (C)	5,506	4,650	8,334	3,062	(5,272)
Applications of capital funding					
Capital expenditure					
- to meet additional demand	429	683	1,823	114	(1,709)
- to improve the level of service	4,654	3,528	5,237	3,271	(1,966)
- to replace existing assets	3,345	3,631	5,389	2,954	(2,435)
Increase (decrease) in reserves	275	117	92	813	721
Increase (decrease) of investments	-	-	-	-	-
Total applications of capital funding (D)	8,703	7,959	12,541	7,152	(5,389)
Surplus (deficit) of capital funding (C-D)	(3,197)	(3,309)	(4,207)	(4,090)	117
Funding balance ((A-B)+(C-D))	-	-	-	-	-
Depreciation	2,956	2,264	3,118	3,218	100
Loans					
	External \$000	Internal \$000	Total \$000		
Loans as at 1/07/2018	21,300	376	21,676		
Raised during year	2,910	87	2,997		
Repaid during year	(910)	(247)	(1,157)		
Loans as at 30/06/2019	23,300	216	23,516		
Interest expense	831	13	844		

NOTES:

1. A shift in costs from Wastewater to water supply from a shift in emphasis through the Horowhenua Alliance contract.
2. Less loans required due to delays on loan funded projects.
3. Some big value projects carried over to next year due to delays in getting consents.
4. Depreciation reserve increased more than expected due to a combination of less funding of renewal projects required and more depreciation funded.

Activity Expenditure	LTP	Annual	LTP	Actual	Variance
	Forecast	Plan	Forecast		
	2018	2018	2019		
	\$000	\$000	\$000	2019	2019
	\$000	\$000	\$000	\$000	\$000
Foxton Wastewater	1,045	673	661	674	13
Foxton Beach Wastewater	638	605	617	678	61
Levin Wastewater	4,158	3,620	3,936	4,455	519
Shannon Wastewater	1,329	1,089	1,175	1,174	(1)
Tokomaru Wastewater	191	221	210	177	(33)
Waitārere Beach Wastewater	450	369	439	409	(30)
Total activity expenditure	7,811	6,577	7,038	7,567	529

Solid Waste

STATEMENT OF SERVICE PERFORMANCE

The Solid Waste group of activities consists of Council providing services to collect and safely dispose of residential and commercial solid waste. Council also provides education to the community on how to reduce total solid waste output.

1. DESCRIPTION OF ACTIVITIES

What does this group of activities involve?

- Council provides for the collection and disposal of solid waste produced in the Horowhenua and Kapiti Coast Districts. To provide for the disposal of solid waste Council manages kerbside recycling and refuse bag collection at specified times each week for urban areas in the District, it also operates waste transfer stations (for disposal of general and green waste as well as recycling), and it operates numerous static and temporary recycling stations (for recycling only).
- Council owns a landfill and associated assets, waste transfer stations, and recycling stations. Council also undertakes public education (on an ad hoc basis) in waste minimisation at local primary and intermediate schools in the District. The operation and maintenance of this group of activities is externally contracted.
- Council also ensures that the Levin Landfill is managed in a way that it complies with resource consents and so that it has sufficient air and land space available for the future requirements.
- Legislative requirements that this group of activities operates within include, but are not limited to:
 - The Health Act 1956, which requires Council to provide for sanitary works including the collection and disposal of refuse;
 - The Waste Minimisation Act 2008;
 - The Hazardous Substances and Noxious Organisms (HSNO) 2004; and
 - The Climate Change (Emissions Trading) Amendment Act 2008.

Rationale

Activity	Community outcome	Council role
Provision of landfill and static recycling stations. These help reduce waste and minimise its negative environmental effects.	<ul style="list-style-type: none"> • A sustainable environment • Safe, resilient and healthy communities 	Provider
Provision of waste transfer stations, recycling, and refuse collection. These help reduce waste and minimise its negative environmental effects.	<ul style="list-style-type: none"> • A sustainable environment • Safe, resilient and healthy communities 	Provider
Provision of waste minimisation education to the community.	<ul style="list-style-type: none"> • A sustainable environment 	Provider/advocate

2. MEASURING PERFORMANCE

Service area	Performance measure 2018-38 LTP Year 1	Target (2018/19)	Actual Performance 2019						
Provision of landfill but minimising the amount that is sent there.	Quantity of waste going to the landfill per person per year.	≤ 400 kg per person per year	<p>Not achieved</p> <p>As at 30 June 2019, 1,113.12 tonnes of general waste was produced and disposed in the Horowhenua District. With an estimated population of 31,000, a forecasted quantity of 483.39kg per person for the year has been estimated at the current rate.</p>						
Recycling is encouraged	Level of recycling at: Kerbside Transfer stations	≥ 40% of total waste ≥ 50% of total waste	<p>Unable to report correctly</p> <p>These figures are not currently separable under the current system. The Kerbside and Transfer Station quantities are amalgamated.</p> <table border="1"> <thead> <tr> <th></th> <th>Year to Date</th> </tr> </thead> <tbody> <tr> <td>Total Recycling</td> <td>1,707.85 tonnes</td> </tr> <tr> <td>Percentage of Waste Production</td> <td>10.51%</td> </tr> </tbody> </table>		Year to Date	Total Recycling	1,707.85 tonnes	Percentage of Waste Production	10.51%
	Year to Date								
Total Recycling	1,707.85 tonnes								
Percentage of Waste Production	10.51%								
Waste transfer and recycling stations have a minimal impact on the immediate and surrounding environment.	Number of odour complaints and minimal reports of solid waste in or around: Waste transfer stations; Recycling stations per month.	< 4 per month < 4 per month	<p>Achieved</p> <p>As at 30 June 2019:</p> <table border="1"> <thead> <tr> <th></th> <th>Year to Date</th> </tr> </thead> <tbody> <tr> <td>Waste transfer stations</td> <td>19</td> </tr> <tr> <td>Recycling stations</td> <td>21</td> </tr> </tbody> </table>		Year to Date	Waste transfer stations	19	Recycling stations	21
	Year to Date								
Waste transfer stations	19								
Recycling stations	21								
Response to service requests regarding Council's Solid Waste Activities is timely.	Time all requests are responded to.	Within 3 working days	<p>Not Achieved</p> <p>As at 30 June 2019:</p> <table border="1"> <thead> <tr> <th>Year to Date</th> <th>Still Open</th> </tr> </thead> <tbody> <tr> <td>442/1089</td> <td>488/1089</td> </tr> </tbody> </table> <p>The high number of un-responded CRMs is due to the new recycling service starting in July 2019. The wheelie bin roll out has considerably increased the number of CRMs (especially requests for 80 L wheelie bins and also complaints for undelivered wheelie bins during the roll out).</p>	Year to Date	Still Open	442/1089	488/1089		
Year to Date	Still Open								
442/1089	488/1089								

Service area	Performance measure 2018-38 LTP Year 1	Target (2018/19)	Actual Performance 2019									
Recycling and refuse is collected on time and in a sanitary manner.	Number of complaints per-month about non collection of: Kerbside recycling Kerbside refuse	< 6 per month < 6 per month	<p>Not Achieved As at 30 June 2019:</p> <table border="1"> <thead> <tr> <th></th> <th>For the Month</th> <th>Year to Date</th> </tr> </thead> <tbody> <tr> <td>Kerbside recycling</td> <td>14</td> <td>109</td> </tr> <tr> <td>Kerbside refuse</td> <td>4</td> <td>164</td> </tr> </tbody> </table> <p>The new contractors began rubbish bag collections in October 2018 which resulted in a high number of non-collections for that month. This will throw the entire year out but was expected, and will decrease over the coming months.</p>		For the Month	Year to Date	Kerbside recycling	14	109	Kerbside refuse	4	164
	For the Month	Year to Date										
Kerbside recycling	14	109										
Kerbside refuse	4	164										
Recycling stations are available and accessible in urban centres in summer.	Recycling stations are available at the agreed locations on the agreed days and times outlined on Council's website.	Achieve	<p>Achieved As at 30 June 2019, the recycling stations have been available at all times specified on the website.</p>									
Customers are content with Council's transfer stations, recycling collection, and refuse collection services offered.	Percentage of customers satisfied with their solid waste services: Kerbside recycling Kerbside refuse	≥ 80% ≥ 80%	<p>Not Fully Achieved As at 30 June 2019, the 2019 Customer Satisfaction Survey showed that 75.1% of customers were satisfied with their Kerbside Recycling services and that 80.3% of customers were satisfied with their Kerbside Refuse services.</p>									
Customers are educated on waste minimisation practices.	Number of school aged students waste education is provided to each year	≥ 300 students per year	<p>Achieved As at 30 June 2019, 3,130 students have been educated.</p>									
Customers are educated on waste minimisation practices.	Number of events Council attends to promote ways to minimise waste	≥ 5 events per year	<p>Achieved As at 30 June 2019, Council has held four events on waste minimisation, and promoted waste minimisation at four other events.</p>									

Service area	Performance measure 2018-38 LTP Year 1	Target (2018/19)	Actual Performance 2019										
Sustainable solid waste management.	The number of: Abatement Notices; Infringement Notices; Enforcement Orders; and Convictions received by Council in relation to Horizons Regional Council resource consents.	0 0 0 0	<p>Achieved As at 30 June 2019:</p> <table border="1"> <thead> <tr> <th></th> <th>Year to Date</th> </tr> </thead> <tbody> <tr> <td>Abatement Notice</td> <td>0</td> </tr> <tr> <td>Infringement Notice</td> <td>0</td> </tr> <tr> <td>Enforcement Order</td> <td>0</td> </tr> <tr> <td>Convictions</td> <td>0</td> </tr> </tbody> </table>		Year to Date	Abatement Notice	0	Infringement Notice	0	Enforcement Order	0	Convictions	0
	Year to Date												
Abatement Notice	0												
Infringement Notice	0												
Enforcement Order	0												
Convictions	0												

Service area	Performance measure 2015-25 LTP Year 3	Performance measure 2017-18 AP	Attainment 2018									
Waste transfer stations: To ensure Waste Transfer Stations are available at convenient times.	To ensure waste transfer stations are available on agreed days at agreed times.	To ensure waste transfer stations are available on agreed days at agreed times.	Achieved As of 30 June 2018, transfer stations have been available on agreed days.									
Solid waste: To ensure Solid Waste Activities are undertaken in a healthy and safe manner.	To ensure no reported incidences of injury or illness attributable to use of the Council's waste transfer or recycling station facilities.	To ensure no reported incidences of injury or illness attributable to use of the Council's waste transfer or recycling station facilities.	Achieved As of 30 June 2018, no reports of incidences or injuries from the transfer or recycling stations.									
Waste transfer and recycling stations: To ensure Waste Transfer and Recycling Stations have a minimal impact on the immediate and surrounding environment.	To ensure the number of odour complaints and reports of solid waste are minimal in or around: <ul style="list-style-type: none"> Waste transfer stations: Less than three per month Recycling stations: Less than three per month 	To ensure the number of odour complaints and reports of solid waste are minimal in or around: <ul style="list-style-type: none"> Waste transfer stations: Less than three per month Recycling stations: Less than three per month 	<p>Achieved As of 30 June 2018 the results are as follows:</p> <table border="1"> <thead> <tr> <th>Complaint type</th> <th>Transfer Station</th> <th>Recycling Station</th> </tr> </thead> <tbody> <tr> <td>Odour</td> <td>0</td> <td>1</td> </tr> <tr> <td>Solid waste in or around</td> <td>0</td> <td>6</td> </tr> </tbody> </table>	Complaint type	Transfer Station	Recycling Station	Odour	0	1	Solid waste in or around	0	6
Complaint type	Transfer Station	Recycling Station										
Odour	0	1										
Solid waste in or around	0	6										

Service area	Performance measure 2015-25 LTP Year 3	Performance measure 2017-18 AP	Attainment 2018									
Response times: To ensure response to service requests regarding Council's Solid Waste Activities is timely.	To ensure that all requests are responded to within three days.	To ensure that all requests are responded to within three days.	Not achieved As of 30 June 2018, 355 service requests were received. 231 (65%) of these were responded to within three days. It must be noted that despite the fact that some CRMs do not have a close out date or have been closed out well outside the three day period, this does not mean that the requests were not responded to within the three day timeframe. Some close out dates longer than the three actual day period, include weekends and public holidays. The contractors also tend to close resolved CRM's in bulk at the end of the month, instead of as they go, leaving many open or outside the three day period. Significantly more than is stated were actually responded to within three days, or will vary results month to month.									
Levin landfill:	The Levin Landfill will be fully compliant with the annual resource consent inspection report.	The Levin Landfill will be fully compliant with the annual resource consent inspection report.	Not achieved As of 30 June 2018: 80%. Council received one abatement notice and one infringement from Horizons regarding one of the consent conditions.									
Kerbside recycling: To ensure Kerbside recycling and refuse collection service is available.	Kerbside recycling shall be offered to 91% of all serviceable households.	Kerbside recycling shall be offered to 91% of all serviceable households.	Achieved As of 30 June 2018: 95%. We are currently servicing approximately 95% of households based on the serviceable areas within the District.									
Recycling: To ensure recycling and refuse is collected on time and in a sanitary manner.	To ensure the number of complaints about non-collection of: <ul style="list-style-type: none"> • Kerbside recycling: Less than five per month. • Kerbside refuse: Less than five per month. 	To ensure the number of complaints about non-collection of: <ul style="list-style-type: none"> • Kerbside recycling: Less than five per month. • Kerbside refuse: Less than five per month. 	Not achieved As of 30 June 2018 the results are as follows: <table border="1" data-bbox="1330 1050 2011 1198"> <thead> <tr> <th>Complaint type</th> <th>Kerbside recycling</th> <th>Kerbside refuse</th> </tr> </thead> <tbody> <tr> <td>Number of complaints</td> <td>86</td> <td>39</td> </tr> <tr> <td>Monthly average</td> <td>7.2</td> <td>3.63</td> </tr> </tbody> </table>	Complaint type	Kerbside recycling	Kerbside refuse	Number of complaints	86	39	Monthly average	7.2	3.63
Complaint type	Kerbside recycling	Kerbside refuse										
Number of complaints	86	39										
Monthly average	7.2	3.63										
Recycling stations: To ensure recycling and refuse is collected on time and in a sanitary manner.	To ensure recycling stations are available at the agreed locations on the agreed days and times.	To ensure recycling stations are available at the agreed locations on the agreed days and times.	Achieved As of 30 June 2018, recycling stations are available at all agreeable locations.									

Service area	Performance measure 2015-25 LTP Year 3	Performance measure 2017-18 AP	Attainment 2018				
Solid Waste Information: To ensure information on Council's recycling and refuse services is available from service centres and on the website.	Up-to-date brochures will be available at all offices and on the HDC website.	Up-to-date brochures will be available at all offices and on the HDC website.	Achieved Brochures are handed out by the recycling collectors when their recycling crates contain non-recyclables and are available through Council. Fridge magnets have also been made available, in addition to upgrades to the website				
Affordability: To ensure an affordable recycling service is available.	No user charge is set.	No user charge is set.	Achieved				
Customer Satisfaction: To ensure customers are content with Council's transfer stations, recycling collection, and refuse collection services offered.	To ensure the percentage of customers satisfied with their solid waste service, based on the Annual Customer Satisfaction Survey is at least 75%.	To ensure the percentage of customers satisfied with their solid waste service, based on the Annual Customer Satisfaction Survey is at least 75%.	Achieved The results of the most recent survey conducted in the 2017/2018 year are as follows: <table border="1" data-bbox="1330 703 1785 783"> <thead> <tr> <th>Satisfied %</th> <th>Dissatisfied %</th> </tr> </thead> <tbody> <tr> <td>78%</td> <td>22%</td> </tr> </tbody> </table>	Satisfied %	Dissatisfied %	78%	22%
Satisfied %	Dissatisfied %						
78%	22%						
Education: To ensure customers are educated on waste minimisation practices.	To ensure that education services are provided in local schools.	To ensure that education services are provided in local schools.	Achieved Waste education was provided in local schools through the Zero Waste education programme.				

3. ACQUISITION AND RENEWAL OF ASSETS

Solid Waste	LTP Forecast 2018/19 \$000	Actual 2018/19 \$000	Variance \$000	Notes
Renewals (replace existing assets) portion of projects				
Cap shape correction	12	40	(28)	
Opiki recycling renewal	6	31	(25)	
Total renewal projects	18	71	(53)	
Level of service portion of project				
Landfill stage development	1,108	32	1,076	
Wheelie bins	-	3	(3)	
Rehabilitation of borrow area	45	-	45	
Total level of service projects	1,153	35	1,118	
Growth portion of project				
	-	-	-	
Total growth projects	-	-	-	
Make up of above projects by % of type				
Renewals - Replacing existing assets	18	71	(53)	
Improve level of service	1,153	35	1,118	
Growth - To meet additional demand	-	-	-	
Total Solid Waste projects	1,171	106	1,065	

NOTES:

- Unspent budget to be carried over to next year and will be spent on installing a cut-off drain, changing the final landfill design to allow more space and to install new gas wells.

4. IDENTIFIED EFFECTS THAT ANY ACTIVITY WITHIN THE GROUP OF ACTIVITIES HAS HAD ON THE COMMUNITY (LGA 2002 Schedule 10 Part 3, section 23 (d))

The bulk of the Council's expenditure is in the nature of operating and maintenance costs which, in providing stated levels and service and in maintaining the integrity of important assets, contributes to the community outcomes as noted in Part one above.

Programmes that had identifiable impacts on the community outcomes during the year ended 30 June 2019 included:

Community outcomes	Effects of programmes in activity area
Environmental	Ongoing kerbside recycling has had a significant effect on the amount of waste being transferred to the Levin landfill.
Environmental	Operation of the Levin landfill minimises greenhouse gas emissions by reducing trucking distances to a waste disposal facility in addition to the capture and destruction of methane produced onsite.
Knowledge	Waste reduction is taught in various schools throughout the year.

Solid Waste

HOROWHENUA DISTRICT COUNCIL – FUNDING IMPACT STATEMENT FOR THE YEAR ENDED 30 June 2019

	LTP Forecast 2018 Note \$000	Annual Plan Forecast 2018 \$000	LTP Forecast 2019 \$000	Actual 2019 \$000	Variance 2019 \$000
Sources of operating funding					
General rates, uniform annual general charges, rates penalties	-	-	-	-	-
Targeted rates	342	328	315	316	1
Subsidies and grants for operating purposes	-	-	-	-	-
Fees and charges	1,832	1,859	2,142	1,811	(331)
Local authorities fuel tax, fines, infringement fees, and other receipts	17	13	10	26	16
Internal charges and overheads recovered	-	-	-	-	-
Total operating funding (A)	2,191	2,200	2,467	2,153	(314)
Applications of operating funding					
Payments to staff and suppliers	1,454	1,554	1,521	2,702	1,181
Finance costs	316	240	238	186	(52)
Internal charges and overheads applied	227	245	83	255	172
Other operating funding applications	-	-	-	-	-
Total applications of operating funding (B)	1,997	2,039	1,842	3,143	1,301
Surplus (deficit) of operating funding (A-B)	194	161	625	(990)	(1,615)
Sources of capital funding					
Subsidies and grants for capital expenditure	-	-	-	-	-
Development and financial contributions	-	-	-	-	-
Increase (decrease) in debt	(58)	149	964	609	(355)
Gross proceeds from sale of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
Total sources of capital funding (C)	(58)	149	964	609	(355)
Applications of capital funding					
Capital expenditure					
- to meet additional demand	146	340	-	-	-
- to improve the level of service	11	-	1,153	35	(1,118)
- to replace existing assets	66	66	18	71	53
Increase (decrease) in reserves	(87)	(96)	418	(487)	(905)
Increase (decrease) of investments	-	-	-	-	-
Total applications of capital funding (D)	136	310	1,589	(381)	(1,970)
Surplus (deficit) of capital funding (C-D)	(194)	(161)	(625)	990	1,615
Funding balance ((A-B)+(C-D))	-	-	-	-	-
Depreciation	328	268	286	310	24
Loans					
	External \$000	Internal \$000	Total \$000		
Loans as at 1/07/2018	4,700	74	4,774		
Raised during year	790	68	858		
Repaid during year	(190)	(59)	(249)		
Loans as at 30/06/2019	5,300	83	5,383		
Interest expense	184	2	186		

1. Increased costs were incurred in developing a new Waste Minimisation and Management Plan, contracts renegotiation and strategic planning related to solid waste activities.
2. Debt decreased as a result of less loan funded projects being completed during the year.
3. Less than expected capital works completed with the unspent budget carried over to next year.
4. Unexpected increase in operating deficits funded from reserves.

Activity Expenditure	LTP	Annual	LTP	Actual	Variance
	Forecast	Plan	Forecast		
	2018	2018	2019		
	\$000	\$000	\$000	\$000	\$000
Roadside Collection Bags	206	211	192	258	66
Landfill	1,115	1,103	978	1,325	347
Recycling Centres	707	703	643	1,519	876
Waste Transfer Stations	297	289	315	352	37
Total activity expenditure	2,325	2,306	2,128	3,454	1,326

Community Support

STATEMENT OF SERVICE PERFORMANCE

This group of activities comprises of activities that provide for the community's social and economic wellbeing including ensuring that the community will be able to respond to and recover from an emergency event, providing community support, providing grants and funding to community groups, providing visitor information, and encouraging economic development within this District.

1. DESCRIPTION OF ACTIVITIES

1.1. Emergency management

As part of this activity Council is an active member of the Manawatū-Whanganui Civil Defence Emergency Management Group. This group is a consortium of local authorities in the region with a vision to build a resilient and safer region for our communities in the event a civil defence emergency.

What does this activity involve?

- Ensuring that the community is properly prepared for and educated about emergency events.
- Providing a fully functional Emergency Operating Centre (EOC) and ensuring that trained staff are available and ready to assist our community to respond to/recover from emergency events.

Rationale

Activity	Community outcome	Council role
Emergency management are provided for the community.	<ul style="list-style-type: none"> • Safe, resilient and healthy communities • Positive leadership and effective partnerships 	Provider

1.2. Community engagement

The Community Engagement Activity helps to provide a platform for community engagement and social wellbeing within the Horowhenua District. This includes the implementation of Council's community wellbeing strategies, grants and funding schemes, public communications, media engagement, and District marketing.

What does this activity involve?

- Council leading the development and implementation of the Horowhenua Community Wellbeing Strategy as well as the education, youth, access and inclusion, arts culture and heritage, pride and vibrancy, and positive ageing action plans.
- Council taking a lead role in advocating, facilitating and coordinating on behalf of the community to assist community groups or find solutions to respond to local needs.
- Advocating on behalf of the community for better health, transport and social outcomes through the Community Wellbeing Committee.
- Providing funding support to surf lifesaving, Waitārere and Foxton Beach wardens, Levin crime prevention camera and community patrol and neighbourhood support, on contract.
- Funding and operating several small contestable grant schemes which are:
 - Community development grant.
 - Community consultation grant.
 - International representation grant.
 - Rural halls grant.
 - Vibrant communities fund.
- Administrating or providing administrative support to externally funded contestable grant schemes which are:
 - Horowhenua creative communities scheme.
 - Shannon Community Development Trust.
- Facilitating a community capacity building programme, providing free or subsidised training to the not-for-profit sector with the aim to increase the capability at a governance and operational level.
- Produce and distribute Council publications.
- Produce sector specific publications, such as resource consent guides.
- Monitor and update social and traditional media.
- Provide communications support to internal staff and departments.
- Maintain and update Council's website presence, namely www.horowhenua.govt.nz.
- Respond and provide information to media outlets, as required.

Rationale

Activity	Community outcome	Council role
Facilitate a youth council and community networks and forums.	<ul style="list-style-type: none"> A community of knowledge, culture and diversity where people are proud to live Positive leadership and effective partnerships 	Provider
Advocate for transport, health and community wellbeing.	<ul style="list-style-type: none"> A healthy local economy and a District that is growing A community of knowledge, culture and diversity where people are proud to live Safe, resilient and healthy communities Positive leadership and effective partnerships 	Advocate
Contestable grant schemes are provided.	<ul style="list-style-type: none"> A community of knowledge, culture and diversity where people are proud to live Safe, resilient and healthy communities 	Funder
Administration of externally funded grant schemes.	<ul style="list-style-type: none"> A community of knowledge, culture and diversity where people are proud to live Safe, resilient and healthy communities Positive leadership and effective partnerships 	Provider
Contracted services are managed.	<ul style="list-style-type: none"> Safe, resilient and healthy communities Positive leadership and effective partnerships 	Funder
Capabilities training for the non-profit sector is provided.	<ul style="list-style-type: none"> A community of knowledge, culture and diversity where people are proud to live Safe, resilient and healthy communities Positive leadership and effective partnerships 	Funder
Perform Council's communication function.	<ul style="list-style-type: none"> A healthy local economy and a District that is growing A sustainable environment A community of knowledge, culture and diversity where people are proud to live Safe, resilient and healthy communities Positive leadership and effective partnerships 	Provider

1.3. Visitor information

As part of this activity the Council's manages the provision of visitor information services in Levin, Foxton, and Shannon.

What does this activity involve?

As part of this activity the Council manages contracts which provide the following services:

- Domestic travel ticketing;
- Horowhenua attraction, activity and accommodation bookings;
- Local and regional visitor information, travel maps and resources; and
- Integrated communications and working partnerships with local service providers.

Rationale

Activity	Community outcome	Council role
Visitor information services are offered throughout the District.	<ul style="list-style-type: none"> A healthy local economy and a District that is growing A community of knowledge, culture and diversity where people are proud to live Positive leadership and effective partnerships 	Funder

1.4. Economic development

The purpose of this activity is to facilitate economic growth and improved social and economic wellbeing in the Horowhenua District through the support and implementation of strategies targeting increased investment, job growth, skill growth, income growth and an enhanced reputation for the District. Horowhenua District is poised for significant change and has the opportunity to considerably advance its economy wellbeing and prosperity over the next 10 years.

What does this activity involve?

Economic development advocacy, support and facilitation across the following service areas:

- Business sector growth and performance;
- Sustainable natural resource utilisation;
- Infrastructure and policy development/implementation;
- Workforce skill development, training and education; and
- Horowhenua as a vibrant and sustainable place to live and visit.

Rationale

Activity	Community outcome	Council role
Business sector support and advocacy.	<ul style="list-style-type: none"> • A healthy local economy and a District that is growing • Positive leadership and effective partnerships 	Provider/advocate
Sustainable natural resource utilisation.	<ul style="list-style-type: none"> • A sustainable environment • Positive leadership and effective partnerships • A healthy local economy and a District that is growing 	Advocate
Infrastructure and policy development/ implementation.	<ul style="list-style-type: none"> • A healthy local economy and a District that is growing • A sustainable environment • Safe, resilient and healthy communities • Positive leadership and effective partnerships 	Advocate
Workforce skill development, training and education.	<ul style="list-style-type: none"> • A healthy local economy and a District that is growing • A community of knowledge, culture and diversity where people are proud to live • Safe, resilient and healthy communities • Positive leadership and effective partnerships 	Advocate
Horowhenua as a vibrant and sustainable place to live and visit.	<ul style="list-style-type: none"> • A healthy local economy and a District that is growing • A community of knowledge, culture and diversity where people are proud to live • Safe, resilient and healthy communities • Positive leadership and effective partnerships 	Provider/advocate/ funder

2. MEASURING PERFORMANCE

Service area	Performance measure 2018-38 LTP Year 1	Target (2018/19)	Actual Performance 2019
Community awareness is promoted and encouraged.	12 media messages promoting preparedness for an emergency will be made to residents and ratepayers annually.	Achieve	Achieved As at 30 June 2019, 12 media messages have been made.
Council maintains a functional EOC and trained staff.	Civil defence and emergency management assessment of readiness and capability.	100% of Council staff with EOC roles	Not Achieved Due to cyclic training schedules and new staff appointments.
Council provides effective leadership in advocating, coordinating and facilitating on behalf of community needs.	Number of Community Wellbeing Committee meetings per year.	≥ 5	Achieved As at 30 June 2019, Five Community Wellbeing Committee meetings have been held.
Young people in the Horowhenua live in a safe and supportive environment, which empowers them to make positive life choices.	Number of yEP (Youth Voice) meetings per year.	≥ 8	Achieved As at 30 June 2019, 11 yEP (Youth Voice) meetings have been held.
	Number of programmes or projects implemented by yEP (Youth Voice).	≥ 4	Achieved As at 30 June 2019, seven programmes/projects have been implemented by yEP (Youth Voice).
	Number of Youth Network meetings per year.	≥ 6	Achieved As at 30 June 2019, Eight Youth Network meetings have been held.
Horowhenua residents are empowered to make choices enabling them to live a satisfying and healthy lifestyle.	Number of Older Person Network meetings per year.	≥ 10	Achieved As at 30 June 2019, 10 Older Persons Network meetings have been held.
	Number of <i>Elderberries</i> magazine publications annually.	≥ 4	Achieved As at 30 June 2019, There have been five <i>Elderberries</i> magazine publications.
Horowhenua is a vibrant, creative and friendly community with an abundance of art, rich cultures and a strong sense of heritage.	Number of Creative Communities funding rounds per year.	≥ 2	Achieved As at 30 June 2019, There has been two Creative Communities funding rounds.

Service area	Performance measure 2018-38 LTP Year 1	Target (2018/19)	Actual Performance 2019
Horowhenua is New Zealand's foremost District in taking joint responsibility for the success of our community through education.	Number of Education Horowhenua meetings per year.	≥ 4	Achieved As at 30 June 2019, there have been seven Education Horowhenua meetings.
Horowhenua is fully accessible to all people.	Number of Access and Inclusion Leadership forums per year.	≥ 4	Achieved As at 30 June 2019, there have been five Access and Inclusion Leadership forums.
Council promotes community group empowerment and provides opportunities for community driven initiatives and projects, and to grow and develop.	Number of Community Capacity and Capability Building Programme workshops or trainings offered.	≥ 10	Achieved As at 30 June 2019, 10 Community Capacity and Capability Building workshops/trainings have been held. These are as follows: <ul style="list-style-type: none"> • Jim Diers Creating Great Communities Together • Age on the Go Stall holders Workshop • Kiribati Health Lifestyles Workshop • FUNDamentals Funding Workshop • Secretarial Training • Chairperson / Leadership Training • St John First Aid Level 1 • Conflict Resolution • St Johns Mental Health First Aid • Fatugatiti
	Percent of satisfaction with Capacity and Capability Building Programme workshops or training.	≥ 85%	Achieved As at 30 June 2019, the 2019 Customer Satisfaction Survey showed a 96% Satisfaction score
	Number of individuals participating in Capacity and Capability Building Programme workshops or training over the year.	≥ 150	Achieved As at 30 June 2019, 344 individuals have participated in Capacity and Capability Building Programme workshops or training.
Council supports beach safety initiatives within communities by providing financial support.	Number of weeks Council funded surf lifesaving service is provided at Foxton and Waitārere Beaches.	≥ 6	Achieved As at 30 June 2019, six weeks have been funded.

Service area	Performance measure 2018-38 LTP Year 1	Target (2018/19)	Actual Performance 2019
Council effectively communicates with its ratepayers and residents.	Number of Council <i>Community Connections</i> newsletters published annually.	≥ 10	Achieved As at 30 June 2019, 11 <i>Community Connections</i> have been published. Copies can be found at: https://www.horowhenua.govt.nz/Community/Community-Engagement/Community-Connection
Council effectively communicates with its ratepayers and residents.	Number of media releases published annually.	≥ 100	Achieved As at 30 June 2019, 111 media releases have been published.
Council provides a 24/7 telephone contact centre operation.	Telephone contact is continually provided 24/7.	Achieve	Achieved As at 30 June 2019, Council's 06 366 0999 telephone number is operational 24/7. After hour's service and continuous phone supply under Contract with PNCC – RM8 record D17/142551. The phone system is hard coded to divert to PNCC should it have a fault at HDC.
Council supports the promotion of Horowhenua as a tourism destination.	i-Site accreditation is maintained at Te Awahou Nieuwe Stroom and Te Takeretanga o Kura-hau-pō facilities.	Achieve	Achieved As at 30 June 2019, i-SITE accreditation is maintained.
	Annual number of visitor information enquiries conducted from Horowhenua i-Sites.	≥ 10,000	Achieved As at 30 June 2019, manually collated stats on Visitor Information enquiries are: Te Awahou Nieuwe Stroom – 10,387 Te Takeretanga o Kura-hau-pō – 7,578 Total as at 30 June 2019 = 17,965 enquiries
Council provides strategic leadership in coordinating Economic Development activities across the District.	Number of Economic Development Board meetings organised per year. Note: The Horowhenua New Zealand Trust is now the lead entity for the community's Economic Development services and co-ordination.	≥ 10	Achieved As at 30 June 2019, Ten Horowhenua New Zealand Trust meetings have been held.

Service area	Performance measure 2018-38 LTP Year 1	Target (2018/19)	Actual Performance 2019
Council provides opportunities for businesses to collaborate and network resulting in a stronger business sector.	Number of business networking meetings organised per year.	≥ 10	Achieved As at 30 June 2019, 11 Business Networking meetings have been held.
Council advocates for and facilitates business development and new business investment in the Horowhenua District.	Percent of the District's Business Community that are satisfied or more than satisfied with Council's overall performance in the Economic Development Activity.	> 75%	Achieved As at 30 June 2019, the 2019 Customer Satisfaction Survey showed that 59.1% of the District's Business Community were satisfied with Council's overall performance in the Economic Development Activity.

Service area	Performance measure 2015-25 LTP Year 3	Performance measure 2017-18 AP	Attainment 2018
Emergency management: To promote and encourage community awareness.	Five media messages promoting preparedness for an emergency will be made to residents and ratepayers annually.	Five media messages promoting preparedness for an emergency will be made to residents and ratepayers annually.	Achieved As of 30 June 2018 the total number of media messages promoting preparedness for an emergency was 18.
Emergency management: Council maintains a functional EOC and trained staff.	To ensure Civil defence and emergency management assessment of readiness and capability of 100% of Council staff.	To ensure Civil defence and emergency management assessment of readiness and capability of 100% of Council staff.	Not achieved As of 30 June 2018 98 of the 139 full time employees (72%) have received CDEM training.
Emergency management & rural fires: To ensure rural fire services are provided.	To ensure 100% of call outs are responded to.	To ensure 100% of call outs are responded to.	No longer relevant This service now sits with Fire and Emergency New Zealand (FENZ).
Community engagement: To ensure Council provides effective leadership in advocating, co-ordinating and facilitating on behalf of community needs.	There are to be five Community Wellbeing Committee meetings per year. (Note: the schedule for 2015 onwards has changed from six weekly to bi-monthly).	There are to be five Community Wellbeing Committee meetings per year. (Note: the schedule for 2015 onwards has changed from six weekly to bi-monthly).	Achieved As of 30 June 2018, five Community Wellbeing Committee meetings have been held.
Community engagement: Council supports the vision that young people in the Horowhenua live in a safe and supportive environment, which empowers them to make positive life choices.	Number of Youth Voice meetings per year. Target is eight.	Number of Youth Voice meetings per year. Target is eight.	Achieved As of 30 June 2018, 13 Youth Voice meetings have been held.
	Number of programmes or projects implemented by Youth Voice. Target is four.	Number of programmes or projects implemented by Youth Voice. Target is four.	Achieved As of 30 June 2018, four programmes/projects have been implemented by Youth Voice as follows: <ul style="list-style-type: none"> • Electoral Commission Youth Programme Development • Contact Youth Space Youth Hui • Zeal Inflatable Challenge • Jimi Hunt – Youth Mental Health speaker
	Number of Youth Network meetings per year. (Note: the schedule for 2015 onwards has changed from monthly to bi-monthly). Target is six.	Number of Youth Network meetings per year. (Note: the schedule for 2015 onwards has changed from monthly to bi-monthly). Target is six.	Achieved As of 30 June 2018, eight Youth Network meetings have been held.

Service area	Performance measure 2015-25 LTP Year 3	Performance measure 2017-18 AP	Attainment 2018
Community engagement: Council supports the vision that Horowhenua residents are empowered to make choices enabling them to live a satisfying and healthy lifestyle.	Number of Older Persons Network meetings per year. Target is 10.	Number of Older Persons Network meetings per year. Target is 10.	Achieved As of 30 June 2018, 10 Older Persons Network meetings have been held.
	Number of Elderberries magazine publications annually. Target is four.	Number of Elderberries magazine publications annually. Target is four.	Achieved As of 30 June 2018, four Elderberries Magazines have been published. The latest issue can be found at: http://www.horowhenua.govt.nz/Community/Positive-Ageing/Elderberries
Community engagement: Council supports the vision that Horowhenua is a vibrant, creative and friendly community with an abundance of art, rich cultures and a strong sense of heritage.	Number of Creative Communities funding rounds per year. Target is two.	Number of Creative Communities funding rounds per year. Target is two.	Achieved As of 30 June 2018, two Horowhenua Creative Communities Scheme funding rounds have been completed; and all funds have been allocated.
Community engagement: Council supports the vision that Horowhenua is New Zealand's foremost region in taking joint responsibility for the success of our community through education.	Number of Education Horowhenua meetings per year. (Note: the schedule for 2015 onwards has changed from ad-hoc to quarterly). Target is four.	Number of Education Horowhenua meetings per year. (Note: the schedule for 2015 onwards has changed from ad-hoc to quarterly). Target is four.	Achieved As of 30 June 2018, six Education Horowhenua meetings have been held.
Community engagement: Council supports the vision that the Horowhenua is fully accessible to all people.	Number of Access and Inclusion forums per year. Target is four.	Number of Access and Inclusion forums per year. Target is four.	Achieved As of 30 June 2018, four Access and Inclusion forums have been held.

Service area	Performance measure 2015-25 LTP Year 3	Performance measure 2017-18 AP	Attainment 2018
Community engagement: Council promotes community empowerment and provides opportunities for community driven initiatives and projects.	Percent of funds distributed through contestable Community Grants and Funding schemes that comply with grant criteria. Target is 100%.	Percent of funds distributed through contestable Community Grants and Funding schemes that comply with grant criteria. Target is 100%.	Achieved As of 30 June 2018 all available Community Grants and Funding Schemes have been administered over two funding rounds. All other grants continue to be operated as per their grant criteria.
Community engagement: Council promotes community group empowerment, and provides opportunity for community groups to grow and develop.	Number of Community Capacity and Capability Building Programme workshops or trainings offered. Target is 10.	Number of Community Capacity and Capability Building Programme workshops or trainings offered. Target is 10.	Achieved As of 30 June 2018, 17 Community Capacity and Capability Building workshops/trainings have been held, and are as follows: <ul style="list-style-type: none"> • 4 Community Funding Workshop Programmes • 4 Mental Health Series workshops • Community Hub Collaboration Capacity Building Workshop • SAMS "Care Matters" Course • First Aid Full Course • First Aid Refresher • 4 Governance Series by Accounting for Charities workshops • Enduring Power of Attorney workshop
Community engagement: Council promotes community group empowerment, and provides opportunity for community groups to grow and develop.	Percent of satisfaction with Capacity and Capability Building Programme workshops or training. Target is 80%.	Percent of satisfaction with Capacity and Capability Building Programme workshops or training. Target is 80%.	Achieved In the 2017/2018 survey of participants, 100% of respondents have indicated that they were 'Satisfied' with the Community Capacity Building Programmes, with 87% of respondents indicating that they were 'Extremely Satisfied'.
	Number of individuals participating in Capacity and Capability Building Programme workshops or training over the year. Target is 100.	Number of individuals participating in Capacity and Capability Building Programme workshops or training over the year. Target is 100.	Achieved As of 30 June 2018, 256 individuals have participated in Community Capacity and Capability Building Programme workshops or training.

Service area	Performance measure 2015-25 LTP Year 3	Performance measure 2017-18 AP	Attainment 2018
Community engagement: Council supports beach safety initiatives within communities by providing financial support.	Number of weeks Council funded surf lifesaving service is provided at Foxton and Waitāreke Beaches. Target is six.	Number of weeks Council funded surf lifesaving service is provided at Foxton and Waitāreke Beaches. Target is six.	Achieved As of 30 June 2018, the funding related to the service agreement for the 2017/2018 summer season was agreed upon, and delivery of the summer season service was provided. The service provision schedule for the six weeks was: Monday to Friday, 11am to 6pm. Starting: Monday, 18 December 2017. Finishing: Friday, 26 January 2018.
Community engagement: Council effectively communicates with its ratepayers and residents.	Number of Council "Community Connections" newsletters published annually. Target is 10.	Number of Council "Community Connections" newsletters published annually. Target is 10.	Achieved As of 30 June 2018, 11 Community Connections have been published. Copies can be found at: http://www.horowhenua.govt.nz/Community/Community-Engagement/Community-Connection
	Number of media releases published annually. Target is 100.	Number of media releases published annually. Target is 100.	Achieved As of 30 June 2018, 127 Media Releases have been published.
	Council provides a 24/7 telephone contact centre operation for people to phone. Target is 100%.	Council provides a 24/7 telephone contact centre operation for people to phone. Target is 100%.	Achieved Council's 06 366 0999 telephone number is operational 24/7.
Visitor information: Council supports the promotion of Horowhenua as a tourism destination.	To ensure the Levin, Shannon, Foxton and Foxton Beach Communities with Visitor Information are financially supported.	To ensure the Levin, Shannon, Foxton and Foxton Beach Communities with Visitor Information are financially supported.	Achieved Levin: A Visitor information service is provided through Te Takeretanga o Kura-hau-pō. Foxton and Shannon: A contract has been established with De Molen Foxton and Shannon Progressive Association to deliver Visitor Information in Foxton and Shannon.
Visitor information: Council supports the promotion of Horowhenua as a tourism destination.	Percent of key performance indicators achieved by providers of visitor information as set out in annual service level agreement. Target is >85%.	Percent of key performance indicators achieved by providers of visitor information as set out in annual service level agreement. Target is >85%.	Achieved Visitor Information centres are being supported and kept up to date through the Visitor Information Centre group which consists of Council representatives, Foxton, Shannon and Levin Visitor information representatives, with occasional presentations from local Tourism groups. Key Performance Indicators are being delivered as required. Quarterly updates are provided to convey what they are doing in meeting their contract.

Service area	Performance measure 2015-25 LTP Year 3	Performance measure 2017-18 AP	Attainment 2018				
	Percent of key performance indicators achieved by Destination Manawatū (regional tourism organisation) as set out in annual service level agreement. Target is >85%.	Percent of key performance indicators achieved by Destination Manawatū (regional tourism organisation) as set out in annual service level agreement. Target is >85%.	No longer relevant The contract with CEDA (formally Destination Manawatū) ended on 30 June 2017, and will not be renewed. They are no longer the regional tourism organisation for Horowhenua.				
Economic development: Council provides strategic leadership in coordinating economic development activities across the District.	Council's economic development function will meet performance indicators and objectives as defined in the Horowhenua Economic Development Strategy. Target is 100% of annual work plan is completed.	Council's economic development function will meet performance indicators and objectives as defined in the Horowhenua Economic Development Strategy. Target is 100% of annual work plan is completed.	Achieved As of 30 June 2018, the annual work plan has been completed.				
	Number of Economic Development Board meetings held per year. Target is 10.	Number of Economic Development Board meetings held per year. Target is 10.	Achieved As of 30 June 2018, 11 Economic Development Board meetings have been held.				
Economic development: Council provides opportunities for businesses to collaborate and network resulting in a stronger business sector.	Number of business networking meetings held per year. Target is 10.	Number of business networking meetings held per year. Target is 10.	Achieved As of 30 June 2018, 10 Business Networking meetings have been held.				
Economic development: Council advocates for and facilitates business development and new business investment in the Horowhenua.	Percent of the District's business community that are satisfied or more than satisfied with the Council's overall performance in the economic development activity. Target is >75%.	Percent of the District's business community that are satisfied or more than satisfied with the Council's overall performance in the economic development activity. Target is >75%.	Not achieved The results of the customer satisfaction survey conducted in the 2017/18 financial year are as follows: <table border="1" data-bbox="1330 1015 1785 1088"> <thead> <tr> <th>Dissatisfied %</th> <th>Satisfied %</th> </tr> </thead> <tbody> <tr> <td>23%</td> <td>67%</td> </tr> </tbody> </table>	Dissatisfied %	Satisfied %	23%	67%
Dissatisfied %	Satisfied %						
23%	67%						

3. ACQUISITION AND RENEWAL OF ASSETS

Community Support	LTP Forecast 2018/19 \$000	Actual 2018/19 \$000	Variance \$000	Notes
Renewals (replace existing assets) portion of projects				
Upgrade of Santa statue	18	20	(2)	
Total renewal projects	18	20	(2)	
Level of service portion of project				
Outdoor chairs for events	5	4	1	
Total level of service projects	5	4	1	
Growth portion of project				
	-	-	-	
Total growth projects	-	-	-	
Make up of above projects by % of type				
Renewals - Replacing existing assets	18	20	(2)	
Improve level of service	5	4	1	
Growth - To meet additional demand	-	-	-	
Total Community Support projects	23	24	(1)	

NOTES:

4. IDENTIFIED EFFECTS THAT ANY ACTIVITY WITHIN THE GROUP OF ACTIVITIES HAS HAD ON THE COMMUNITY (LGA 2002 Schedule 10 Part 3, section 23 (d))

Council's Community Wellbeing function provides overall strategic leadership as well as monitors and reports on progress towards social, health and safety results. A range of community networks and forums are informed by this strategic direction and facilitate, coordinate and communicate the activities of a broad range of government and community organisations, to achieve better outcomes for target populations and contribute to ensuring all people within the District thrive.

Programmes that had identifiable impacts on Council's community outcomes during the year ended 30 June 2019 included:

Community outcomes	Effects of programmes in activity area
Social	A wide range of community capacity building workshops were offered to provide backing to various community organisations as well as up skilling the community in general. A number of events were delivered to the community that enhanced community interaction and promoted communities supporting themselves. To enable community groups to deliver services, events or upkeep facilities, a number of community grants were offered throughout the district to successful applicants.
Cultural and education	Library services were provided throughout the district with a range of digital, literacy and heritage programmes delivered. Both Te Awahou Nieuwe Stroom and Te Takeretanga o Kura-hau-pō has successfully delivered a wide range of community programmes and services including visitor information, youth services and activities, social lounges and cafes, events, exhibitions and performances, meetings, functions and conventions.
Economic	Council has delivered a range of programmes that that impacted positively across Horowhenua's economic wellbeing. Locally driven engagement programmes such as the Electra Business After 5 have expanded over the past year, delivering a platform for greater cohesion and networking amongst the District's business and economic sector. Council has also provided a wider range of economic information through the publication of an expanded Horowhenua's Quarterly Economic Update, which has become a useful tool for local and external businesses and residents. Council also fostered stronger relationships with a number of other agencies, allowing for greater information exchange and collaboration locally, regionally and nationally. This relationship strengthening included Council's decision to sponsor the establishment of the Horowhenua New Zealand Trust which seeks to improve the socioeconomic outcomes of Horowhenua's residents and community.
Safety	Civil defence emergency management services, including increasing readiness and resilience programmes are delivered across the district. Horowhenua District Council funding of community groups that enhance safety throughout the District includes; surf lifesaving and beach wardens.

Community Support

HOROWHENUA DISTRICT COUNCIL – FUNDING IMPACT STATEMENT FOR THE YEAR ENDED 30 June 2019

	LTP Forecast 2018 Note	Annual Plan Forecast 2018 \$000	LTP Forecast 2019 \$000	Actual 2019 \$000	Variance 2019 \$000
Sources of operating funding					
General rates, uniform annual general charges, rates penalties	1,922	2,513	2,393	2,397	4
Targeted rates	-	-	-	-	-
Subsidies and grants for operating purposes	28	27	27	38	11
Fees and charges	-	-	-	1	1
Local authorities fuel tax, fines, infringement fees, and other receipts	16	130	130	40	(90)
Internal charges and overheads recovered	-	-	-	-	-
Total operating funding (A)	1,966	2,670	2,550	2,476	(74)
Applications of operating funding					
Payments to staff and suppliers	956	1,250	1,201	1,634	433
Finance costs	-	-	-	-	-
Internal charges and overheads applied	975	1,408	1,337	880	(457)
Other operating funding applications	-	-	-	-	-
Total applications of operating funding (B)	1,931	2,658	2,538	2,514	(24)
Surplus (deficit) of operating funding (A-B)	35	12	12	(38)	(50)
Sources of capital funding					
Subsidies and grants for capital expenditure	-	-	-	-	-
Development and financial contributions	-	-	-	-	-
Increase (decrease) in debt	-	5	23	-	(23)
Gross proceeds from sale of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
Total sources of capital funding (C)	-	5	23	-	(23)
Applications of capital funding					
Capital expenditure					
- to meet additional demand	-	-	-	-	-
- to improve the level of service	-	5	5	4	(1)
- to replace existing assets	-	-	18	20	2
Increase (decrease) in reserves	35	12	12	(62)	(74)
Increase (decrease) of investments	-	-	-	-	-
Total applications of capital funding (D)	35	17	35	(38)	(73)
Surplus (deficit) of capital funding (C-D)	(35)	(12)	(12)	38	50
Funding balance ((A-B)+(C-D))	-	-	-	-	-
Depreciation	33	13	12	6	(6)
Loans					
	External \$000	Internal \$000	Total \$000		
Loans as at 1/07/2018	-	-	-		
Raised during year	-	-	-		
Repaid during year	-	-	-		
Loans as at 30/06/2019	-	-	-		
Interest expense	-	-	-		

NOTES:

1. Predominantly due to staff costs for economic development are lower due to planned staff increases not occurring
2. Larger than expected surplus transferred to reserves.

Activity Expenditure	LTP	Annual	LTP	Actual	Variance
	Forecast	Plan	Forecast		
	2018	2018	2019		
	\$000	\$000	\$000	2019	2019
				\$000	\$000
Community Development	299	361	251	456	205
Economic Development	537	956	953	641	(312)
Visitor Information	-	162	152	123	(29)
Community Grants and Funding	-	395	394	458	64
District Communication	361	360	319	398	79
Rural Fire	188	-	-	2	2
Emergency Management	239	436	481	440	(41)
Total activity expenditure	339	2,670	2,550	2,518	(32)

Property

STATEMENT OF SERVICE PERFORMANCE

The Property activity supports all activities of Council that are dependent on physical land and buildings. Council holds a selection of property assets to support the delivery of Council's activities which also contribute to the wellbeing of the community. This ranges from direct support e.g. provision of a community centre, to indirect support e.g. through investment and endowment property which contributes revenue to rates or facilities. Council also provides tenancy services to a wide range of stakeholders and customers.

1. DESCRIPTION OF ACTIVITIES

What does this group of activities involve?

- The Council owns various properties throughout the District and through the Property activity the Council ensures that these properties are managed and maintained.
- Council owns the following properties:
 - The Council building in Levin;
 - Commercial properties which are leased to tenants;
 - Endowment property e.g. Council owns land in Foxton Beach that was formerly owned by the Foxton Harbour Board. Much of this land is leased for residential purposes with rights of purchase. Some of the land has been subdivided to create 70 residential sections down Forbes Road;
 - Other community facilities including motor camps, historic and cultural buildings, and depots and carparks.

Rationale

Activity	Community outcome	Council role
Management and maintenance of Council owned properties.	<ul style="list-style-type: none">• A healthy local economy and a District that is growing• A community of knowledge, culture and diversity where people are proud to live• Safe, resilient and healthy communities• Positive leadership and effective partnerships	Funder/provider

2. MEASURING PERFORMANCE

Service area	Performance measure 2018-38 LTP Year 1	Target (2018/19)	Actual Performance 2019
<p>General Property: Council operated facilities are available for public hire.</p>	<p>Facilities availability (hrs) and hire charges by annual review.</p>	<p>8 hrs per day and review annually</p>	<p>Achieved As at 30 June 2019, Council has three Memorial Hall facilities available for hire. All were available for hire for at least eight hours per day.</p> <p>As part of the Annual Plan process there was no change made to the fees and charges.</p>
<p>General Property: Council's properties will comply with relevant legislation.</p>	<p>All buildings with compliance schedules will have current building WOF.</p>	<p>Achieved</p>	<p>Achieved As at 30 June 2019, All Council buildings with Compliance Schedules have current BWOF's. All specified systems including fire alarms have been maintained and inspected in accordance with the compliance schedule. This meets the requirement of the Building Act 2004.</p>

Service area	Performance measure 2015-25 LTP Year 3	Performance measure 2017-18 AP	Attainment 2018
Property: Council operated facilities are available for public hire.	Facilities availability (hrs) and hire charges by annual review. Target is eight hours per day and review annually.	Facilities availability (hrs) and hire charges by annual review. Target is eight hours per day and review annually.	Achieved Council has three Memorial Hall facilities available for hire. As of 30 June 2018, all were available for at least eight hours per day.
Property: Residential housing is provided for the elderly.	Occupancy Rate (Percent). Target is 95%.	Occupancy Rate (Percent). Target is 95%.	Achieved Up until Council's Community Housing portfolio was fully transferred to the new owner on 27 November 2017 this target was met.
Property: Endowment property is appropriately managed.	Number of sections available for sale. Target is 20 sections.	Number of sections available for sale. Target is 20 sections.	No longer applicable As of 30 June 2018, there were zero sections available for sale. (Note: the last remaining section sold on 1 March 2018). Council is looking at further subdivision options.
Property: Council's properties will comply with relevant legislation.	All buildings with compliance schedules will have current Building Warrant of Fitness (BWOFF).	All buildings with compliance schedules will have current Building Warrant of Fitness (BWOFF).	Achieved As of 30 June 2018, all Council buildings with Compliance Schedules have current BWOFF's. All specified systems including fire alarms have been maintained and inspected in accordance with the compliance schedule. This meets the requirement of the Building Act 2004.
Property: Commercial property is appropriately managed.	Rent is within a percentage range of current market rentals at time of review/renewal. Target is 10%.	Rent is within a percentage range of current market rentals at time of review/renewal. Target is 10%.	Achieved Current commercial leases are within 10% of the market rate. No rent reviews were undertaken during June 2018.

3. ACQUISITION AND RENEWAL OF ASSETS

Property	LTP Forecast 2018/19 \$000	Actual 2018/19 \$000	Variance \$000	Notes
Renewals (replace existing assets) portion of projects				
Municipal buildings power and lighting upgrade	252	45	207	
Commercial property renewals	515	3	512	
Focal Point Cinema - Exterior renewal & paint	59	67	(8)	
Civic building internal and external renewals & remedial painting	30	-	30	
Community buildings programmed renewals	48	1	47	
Shannon railway station roof replacement	35	-	35	
General property renewals	362	95	267	
Property renewals program	30	-	30	
Total renewal projects	1,331	211	1,120	
Level of service portion of project				
Focal Point Cinema - Toilets upgrade	60	-	60	
Foxton Main Street bus shelter	-	8	(8)	
Gladstone Road property purchase	-	1,000	(1,000)	
Purchase 104a Main St Foxton	-	174	(174)	
Total level of service projects	60	1,182	(1,122)	
Growth portion of project				
Tararua industrial development	143	15	128	
Total growth projects	143	15	128	
Make up of above projects by % of type				
Renewals – Replacing existing assets	1,331	211	1,120	
Improve level of service	60	1,182	(1,122)	
Growth – To meet additional demand	143	15	128	
Total Property projects	1,534	1,408	126	

NOTES:

1. Work not done but the remaining budget has been carried forward to allow for completion in 2018/19.
2. Unexpected opportunity arose to purchase the property to support the landfill operation.

4. IDENTIFIED EFFECTS THAT ANY ACTIVITY WITHIN THE GROUP OF ACTIVITIES HAS HAD ON THE COMMUNITY (LGA 2002 Schedule 10 Part 3, section 23 (d))

The bulk of the Council's expenditure is in the nature of operating and maintenance costs which, in providing stated levels and service and in maintaining the integrity of important assets, contributes to the community outcomes being as noted in part one above.

Programmes that had identifiable impacts on the Council's community outcomes during the year ended 30 June 2019 included:

Community outcomes	Effects of programmes in activity area
Economic	<p>Council has completed its stock transfer process to a registered CHP this resulted in a reduction of Council debt of approximately NZD5 million and the passing on of a contingent liability in the form of a suspensory loan of a further NZD5 million to the new provider.</p> <p>Council has completed a sub-division at its Roe Street site resulting in the relocation of a major manufacturer of pre-formed concrete panels. The relocation will bring somewhere in the region of 20-30 additional jobs to the region.</p> <p>Council has committed to reducing its debt associated with property ownership by reducing its building and land portfolio to core property only by 2038.</p>
Sustainability	<p>Council's cleaning contractors utilise organic/citrus based cleaning products to reduce potential damage to the environment. Council works with its energy provider to monitor energy use in its properties.</p>
A community of knowledge and culture	<p>Te Awahou Nieuwe Stroom has been completed providing a new cultural experience for residents and visitors to the district. The programmes delivered out of the Te Awahou Nieuwe Stroom, in partnership with Te Taitoa Māori o Te Awahou Trust and The Dutch Connection Trust will allow further reach of cultural knowledge and understanding through the district and beyond.</p> <p>Council undertakes regular planting days with the community and school children to build environmental knowledge, responsibility, and ownership.</p> <p>Council grants a range of community leases to groups requiring assistance to deliver on community outcomes. community outcomes delivered by community groups range from social services (CAB; Alcoholics Anonymous etc.), through to premises for model railway and sports clubs.</p>
Safe and resilient communities	<p>Council has sold the land that previously housed Jack Allen House to develop a new medical centre. The new medical centre will provide a significant primary health care facility for the area.</p> <p>Council has worked with the social providers from Jack Allen House to develop an upgraded community hub for the benefit of residents and the providers.</p> <p>Council has completed a stock transfer of its pensioner accommodation that will provide a wrap-round service for its senior residents.</p> <p>The Parks and Property team works with Police in 'at risk' communities to improve social outcomes e.g. Solway Park and Morgan Crescent. Council has provided a loan of 50k to assist with the installation of a pump track part funded with Police at Solway park.</p> <p>Council offers community leases to various organisations that facilitate services for the elderly and young. Council offers community rates on a number of its facilities to ensure access is affordable to its population.</p>
Positive leadership and partnerships	<p>The Parks and Property section works with stakeholders including local interest groups and residents associations to deliver community focused outcomes.</p>
Social, health and safety	<p>Council has recently completed the installation of a new pump track facility at Foxton Beach. The facility is extremely well-used and encourages a range of age groups to cycle.</p>

Property

HOROWHENUA DISTRICT COUNCIL – FUNDING IMPACT STATEMENT FOR THE YEAR ENDED 30 June 2019

	LTP Forecast 2018 Note \$000	Annual Plan Forecast 2018 \$000	LTP Forecast 2019 \$000	Actual 2019 \$000	Variance 2019 \$000
Sources of operating funding					
General rates, uniform annual general charges, rates penalties	523	305	702	703	1
Targeted rates	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-	-
Fees and charges	797	733	728	746	18
Local authorities fuel tax, fines, infringement fees, and other receipts	140	138	140	242	102
Internal charges and overheads recovered	530	464	459	300	(159)
Total operating funding (A)	1,990	1,640	2,029	1,991	(38)
Applications of operating funding					
Payments to staff and suppliers	817	1,120	1,441	1,149	(292)
Finance costs	475	355	409	330	(79)
Internal charges and overheads applied	422	290	290	240	(50)
Other operating funding applications	-	-	-	-	-
Total applications of operating funding (B)	1,714	1,765	2,140	1,719	(421)
Surplus (deficit) of operating funding (A-B)	276	(125)	(111)	272	383
Sources of capital funding					
Subsidies and grants for capital expenditure	-	-	-	-	-
Development and financial contributions	-	-	-	-	-
Increase (decrease) in debt	(6,960)	(5,776)	(5,537)	1,069	6,606
Gross proceeds from sale of assets	7,721	6,890	7,000	244	(6,756)
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
Total sources of capital funding (C)	761	1,114	1,463	1,313	(150)
Applications of capital funding					
Capital expenditure					
- to meet additional demand	12	146	143	15	(128)
- to improve the level of service	5	13	60	1,182	1,122
- to replace existing assets	435	302	1,331	211	(1,120)
Increase (decrease) in reserves	585	528	(182)	177	359
Increase (decrease) of investments	-	-	-	-	-
Total applications of capital funding (D)	1,037	989	1,352	1,585	233
Surplus (deficit) of capital funding (C-D)	(276)	125	111	(272)	(383)
Funding balance ((A-B)+(C-D))	-	-	-	-	-
Depreciation	268	208	211	255	44
Loans					
	External \$000	Internal \$000	Total \$000		
Loans as at 1/07/2018	8,300	176	8,476		
Raised during year	1,500	79	1,579		
Repaid during year	(400)	(110)	(510)		
Loans as at 30/06/2019	9,400	145	9,545		
Interest expense	324	6	330		

NOTES:

1. The budget had envisaged selling pensioner housing in July however the sale occurred in late November this meant Council continued to earn unbudgeted rental income during this time.
2. Due to the delay in selling the pensioner housing costs incurred in operating this facility continued to occur up until the sale date in late November.
3. The annual plan assumed sales of investment properties of \$1m that would be used to repay debt; this did not occur, however, Council did sell pensioner housing that was used to repay debt.
4. This reflects sale of surplus assets but is predominantly the sale of the Pensioner Housing portfolio.
5. This reflects the purchase of the Hokio Beach Road property described under capital purchases above.
6. This reflects primarily in the increase in the Foxton Beach Freeholding Reserve through the sale of Forbes Road sections.

Activity Expenditure	LTP	Annual	LTP	Actual	Variance
	Forecast	Plan	Forecast		
	2018	2018	2019		
	\$000	\$000	\$000	\$000	\$000
Council Building	361	310	307	377	70
Camping Grounds	15	9	6	3	(3)
Commercial Properties	254	254	317	171	(146)
Endowment Property	255	356	555	272	(283)
General Property	567	580	709	852	143
Total activity expenditure	1,452	1,509	1,894	1,675	(219)

Representation and Community Leadership

STATEMENT OF SERVICE PERFORMANCE

This group of activities comprises of how Council meets its responsibility to represent the community as well as to provide leadership for the community and to involve it in decision making processes and long term strategic planning.

1. DESCRIPTION OF ACTIVITIES

What does this group of activities involve?

The Council is elected every three years by those eligible to vote in the District. The Council is made up of a Mayor (elected at large) and 10 Councillors (representing four Wards). The Council is supported at a governance level by the Foxton Community Board and a number of subcommittees. The core functions of the Representation and Community Leadership activity are:

- Setting the policy direction of Council.
- Monitoring the performance of Council.
- Representing the interests of the District (on election all members must make a declaration that they will perform their duties faithfully and impartially, and according to their best skill and judgment in the best interests of the District).
- Wherever and whenever possible, facilitating solutions to local needs/issues.
- Employing the Chief Executive (under the Local Government Act 2002, the local authority employs the Chief Executive who in turn employs all other staff on its behalf).

These core functions are achieved by:

- Holding regular meetings which are open to the public.
- Preparing the key policy and planning documents.
- Consulting the public on major decisions.
- Providing Council representation on a wide range of community groups.
- Holding civic functions, including citizenship ceremonies.
- Advocating the District's interests to agencies at regional and national levels.
- Keeping abreast of issues, legislation, and best practice.
- Balancing the books.

RATIONALE

Activity	Community outcome	Council role
A fair representation and community leadership programme is operated within the District.	<ul style="list-style-type: none"> • A healthy local economy and a District that is growing • A sustainable environment • A community of knowledge, culture and diversity where people are proud to live • Safe, resilient and healthy communities • Positive leadership and effective partnerships 	Provider/advocator

2. MEASURING PERFORMANCE

Service area	Performance measure 2018-38 LTP Year 1	Target (2018/19)	Actual Performance 2019
Council provides open, accessible processes to local government.	Number of successful challenges to Council's decision making processes.	0	Achieved As at 30 June 2019, There have been no successful challenges to Council's decision making process.
	LGOIMA requests responded to within 20 working days.	Achieve	Not Achieved As at 30 June 2019, 154 LGOIMAs have been received. Three have been withdrawn, 104 were responded to on time, 33 were responded to after 20 working days, five are yet to be responded to after 20 working days and 9 are still open within 20 working days.
Council supports residents and ratepayers to have their views heard and considered in Council decision making.	Percent of residential and non-residential ratepayers who are satisfied with the way Council involves the public in its decision making, based on the Annual Customer Satisfaction Survey	> 50%	Not Achieved As at 30 June 2019, the 2019 Customer Satisfaction Survey showed that 42.8% of residential and non-residential ratepayers were satisfied with the way Council involves public in its decision making.
	Council will pre-engage on all significant decisions as outlined in the Significance of Engagement Strategy found on Council's website.	Achieve	Achieved
Council's planning documents meet statutory requirements and have unqualified audit opinions.	The LTP is completed within the statutory timeframe, including a Financial and Infrastructure Strategies which meets the requirements of the Local Government Act.	Adopted before 30 June (every 3 years)	Did Not Measure This measure doesn't apply for this year as the Long Term Plan and Financial Strategy were adopted last year.
	The Annual Plan will be adopted before 30 June annually.	Achieve	Achieved The annual report was adopted on 26 June 2019.
	The Annual Report will include an unqualified audit opinion.	Achieve	Achieved The 2017/18 Annual Report received an unmodified audit opinion on 24 October 2018.

Service area	Performance measure 2018-38 LTP Year 1	Target (2018/19)	Actual Performance 2019
The District Plan provides for a balanced regulatory framework that protects important community and environmental values.	Percent of non-complying resource consents approved as a proportion of all approved consents.	<10%	Achieved As at 30 June, eight non-complying resource consents have been approved out of a total of 180 (4.44%).

Service area	Performance measure 2015-25 LTP Year 3	Performance measure 2017-18 AP	Attainment 2018						
Representation and community leadership: Council provides open, accessible processes to local government.	Local body elections will be held in compliance with relevant legislation.	Local body elections will be held in compliance with relevant legislation.	Not applicable Local body elections were held in October 2016.						
	Number of complaints upheld against the election process. Target is zero.	Number of complaints upheld against the election process. Target is zero.	Achieved To date zero complaints have been upheld following the October 2016 election.						
Representation and community leadership: Council supports residents and ratepayers to have their views heard and considered in Council decision making.	Percent of residential and non-residential ratepayers who are satisfied with the way the Council involves the public in its decision making. Target is >50%.	Percent of residential and non-residential ratepayers who are satisfied with the way the Council involves the public in its decision making. Target is >50%.	Not achieved The results of the customer satisfaction survey conducted in the 2017/18 financial year are as follows: <table border="1" data-bbox="1330 847 1991 922"> <thead> <tr> <th>Dissatisfied %</th> <th>Satisfied %</th> <th>Neither %</th> </tr> </thead> <tbody> <tr> <td>39%</td> <td>34%</td> <td>27%</td> </tr> </tbody> </table>	Dissatisfied %	Satisfied %	Neither %	39%	34%	27%
	Dissatisfied %	Satisfied %	Neither %						
39%	34%	27%							
Council's Community Engagement Strategy is implemented and reviewed every three years. Target is 90% annual work plan is completed.	Council's Community Engagement Strategy is implemented and reviewed every three years. Target is 90% annual work plan is completed.	Not achieved During the creation of the Council's Significance and Engagement Policy, it was determined that the previous community engagement document was outdated and should be rescinded. However, the community engagement principles contained in the community engagement document were considered useful, and they were incorporated into Council's Significance and Engagement Policy. This occurred, and subsequently, the policy was consulted on with the community. Council's Significance and Engagement Policy is now Council's lead and only engagement document - it is easily accessible by Council Officers and the public alike.							

Representation and community leadership: Council's planning documents meet statutory requirements and meet Audit NZ standards.	The LTP is completed within the statutory timeframe, including a Financial Strategy which meets the new requirements of the Local Government Act. Target is to be adopted before 30 June (every three years).	The LTP is completed within the statutory timeframe, including a Financial Strategy which meets the new requirements of the Local Government Act. Target is to be adopted before 30 June (every three years).	Achieved Council adopted the Long Term Plan and Financial Strategy on 27 June 2018.
	The Annual Plan will be adopted annual before 30 June, annually.	The Annual Plan will be adopted annual before 30 June, annually.	Achieved The 2017/2018 Annual Plan was adopted at a Council meeting held on 21 June 2017.
	The Annual Report will include an unmodified audit opinion.	The Annual Report will include an unmodified audit opinion.	Achieved The 2017 Annual Report received an unqualified audit opinion.

3. ACQUISITION AND RENEWAL OF ASSETS

Governance & Community Leadership	LTP Forecast 2018/19 \$000	Actual 2018/19 \$000	Variance \$000	Notes
Renewals (replace existing assets) portion of projects	-	-	-	
Total renewal projects	-	-	-	
Level of service portion of project				
Heritage incentives	-	-	-	
Catering equipment	-	1	(1)	
Total level of service projects	-	1	(1)	
Growth portion of project				
Levin Town Centre Projects - Phase 1	143	2	141	
Total growth projects	143	2	141	
Make up of above projects by % of type				
Renewals – Replacing existing assets	-	-	-	
Improve level of service	-	1	(1)	
Growth – To meet additional demand	143	2	141	
Total Governance & Community Leadership projects	143	3	140	

NOTES:

1. Work not done but the remaining budget has been carried forward to allow for completion in 2018/19.

4. IDENTIFIED EFFECTS THAT ANY ACTIVITY WITHIN THE GROUP OF ACTIVITIES HAS HAD ON THE COMMUNITY (LGA 2002 Schedule 10 Part 3, section 23 (d))

The bulk of the Council's expenditure is in the nature of operating and maintenance costs which, in providing stated levels and service and in maintaining the integrity of important assets, contributes to the community outcomes as noted in Part One above.

Programmes that had identifiable impacts on the community's outcomes during the year ended 30 June 2019 are those mentioned in other activities, it having been the governance arm of the Council that set the priorities, made the key decisions and arranged the provision of funding (mainly through rates) that they may proceed in a democratic manner.

Representation and Community Leadership

HOROWHENUA DISTRICT COUNCIL – FUNDING IMPACT STATEMENT

FOR THE YEAR ENDED 30 June 2019

	LTP Forecast 2018 Note \$000	Annual Plan Forecast 2018 \$000	LTP Forecast 2019 \$000	Actual 2019 \$000	Variance 2019 \$000
Sources of operating funding					
General rates, uniform annual general charges, rates penalties	-	-	431	431	-
Targeted rates	3,166	3,596	3,505	3,507	2
Subsidies and grants for operating purposes	-	-	-	102	102
Fees and charges	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	3	4	1
Internal charges and overheads recovered	-	-	-	-	-
Total operating funding (A)	3,166	3,596	3,939	4,044	105
Applications of operating funding					
Payments to staff and suppliers	1,089	1,207	1,207	2,022	815
Finance costs	-	-	99	75	(24)
Internal charges and overheads applied	2,035	2,348	2,855	3,320	465
Other operating funding applications	-	-	-	-	-
Total applications of operating funding (B)	3,124	3,555	4,161	5,417	1,256
Surplus (deficit) of operating funding (A-B)	42	41	(222)	(1,373)	(1,151)
Sources of capital funding					
Subsidies and grants for capital expenditure	-	-	-	-	-
Development and financial contributions	-	-	-	-	-
Increase (decrease) in debt	(2)	147	367	829	462
Gross proceeds from sale of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
Total sources of capital funding (C)	(2)	147	367	829	462
Applications of capital funding					
Capital expenditure					
- to meet additional demand	-	147	144	2	(142)
- to improve the level of service	-	-	-	1	1
- to replace existing assets	-	-	-	-	-
Increase (decrease) in reserves	42	41	1	(547)	(548)
Increase (decrease) of investments	(2)	-	-	-	-
Total applications of capital funding (D)	40	188	145	(544)	(689)
Surplus (deficit) of capital funding (C-D)	(42)	(41)	222	1,373	1,151
Funding balance ((A-B)+(C-D))	-	-	-	-	-
Depreciation	-	-	-	-	-
Loans					
	External \$000	Internal \$000	Total \$000		
Loans as at 1/07/2018	1,900	23	1,923		
Raised during year	890	131	1,021		
Repaid during year	(190)	(2)	(192)		
Loans as at 30/06/2019	2,600	152	2,752		
Interest expense	74	1	75		

NOTES:

1. These costs are attributable to more time and costs occurring than was originally envisaged reacting to expenditure is higher than anticipated due to expenditure for Levin Town Centre Strategy and Horowhenua Growth Strategy not budgeted for.
2. Increased overheads are mainly from the CEO budget. The CEO spend is more than budget largely due to consultant fees for the Horowhenua 2040 Strategy.
3. The increased cost described above have been funded from internal reserves and surpluses.

Activity Expenditure	LTP	Annual	LTP	Actual	Variance
	Forecast	Plan	Forecast		
	2018	2018	2019		
	\$000	\$000	\$000	2019	2019
Community Board	170	203	211	208	(3)
Elections	8	8	3	34	31
Governance	1,695	1,917	1,874	2,004	130
External Reporting	1,252	1,426	1,420	1,458	38
Growth Response	-	-	-	359	359
District Planning	-	-	654	895	241
Sustainable Growth Planning	-	-	-	460	460
Total activity expenditure	3,125	3,554	4,162	5,418	1,256

Report On Contribution of Māori to Decision-Making

BACKGROUND AND POLICY

Parts 2 and 6 of the Local Government Act 2002 provide principles and requirements for local authorities that are intended to facilitate participation by Māori in local authority decision-making processes. In particular, the role of local authorities as defined in Part 2 of the Act is, inter alia, to promote the social, economic, environmental and cultural well-being of communities, in the present and for the future. The principles relating to local authorities in performing their role include providing for opportunities for Māori to contribute to local authorities' decision-making processes.

Part 6 of the Act relates to Council's planning, decision-making and accountability requirements. Section 81 requires a local authority to:

Establish and maintain processes to provide opportunities for Māori to contribute to the decision-making processes of the local authority.

Consider ways in which it may foster the development of Māori capacity to contribute to the decision-making processes of the local authority.

Provide relevant information to Māori for the purposes of (1) and (2) above.

Section 77 of the Act requires a local authority, in the course of its decision-making process, to take into account the relationship of Māori and the culture and traditions with their ancestral land, water, sites, wāhi tapu, valued flora and fauna, and other taonga if any of the options identified in its decision-making process involves a significant decision in relation to land or a body of water.

Schedule 10 of the Local Government Act specifically requires Council to include in its LTP any steps that the local authority intends to take, having considered ways in which it might foster the development of Māori capacity to contribute to the decision-making processes of the local authority, over the period covered by that Plan.

Council proposes to address this matter by consulting with Iwi using the mechanisms defined in its current Memoranda of Understanding to determine the issues, if any, that are limiting their capacity to participate more fully in Council's decision-making processes and to discuss options for resolving or reducing these issues.

The reasoning behind this approach is that until Council has a better understanding of the issues that may or may not be impacting on the ability of Māori to participate at a higher level than at present in Council's decision-making processes, any decision on this matter may be premature and/or presumptive.

YEAR ENDED 30 June 2019

Schedule 10 Part 3 (21) requires Council to report on activities it has taken in the year to establish and maintain processes to provide for opportunities for Māori to contribute to Council's decision-making processes.

During the year ended 30 June 2019 Council continued to make good progress in its pursuit of enhanced relationships with Iwi representatives, throughout our District. Regular meetings at both formal and informal level were held throughout the year with a number of different Iwi and hapū groups.

Te Kaunihera o Horowhenua continues to put focus and emphasis on building relationships and partnerships with Māori.

Through its decision-making processes Council recognises the principles of the Treaty of Waitangi/Te Tiriti o Waitangi and kaitiakitanga. Council's Significance and Engagement Policy (adopted in June 2017) sets out what the community including Māori can expect from Te Kaunihera o Horowhenua regarding consultation and ways they can influence and participate in Council's decision-making processes. The Council endeavours to provide for the relationship of Māori and their traditions with their ancestral lands, water sites, wāhi tapu and other taonga, when it is considering a significant decision (as per Council's Significance and Engagement Policy) in relation to land or a body of water and this is consistent with the requirements of section 77 of the LGA. This has included Council enabling the preparation of Cultural Impact Assessments in relation to Council's infrastructure consent applications.

Council has developed Memorandums of Partnership to help facilitate Māori involvement in local decision-making processes. Memorandums of Partnership are enabling documents which have already provided significant benefit to the respective parties and their ongoing communication on a number of matters of mutual interest. These documents are becoming increasingly important as Council seeks closer and meaningful working relationships with the Māori community, to achieve effective consultation and engagement on a wide range of issues affecting the Horowhenua District.

Council currently has Memorandum of Partnerships with:

- Muaūpoko Tribal Authority;
- Rangitāne O Manawatū;
- Te Iwi o Ngāti Tukorehe Trust – representing Ngāti Tukorehe, Te Mateawa, Ngāti Te Rangitawhia and Ngāti Kapu (Ngāti Raukawa);
- Te Kotahitanga o Te Iwi o Ngāti Wehi Wehi (Ngāti Raukawa).

Council does not have Memorandum of Partnership with Ngāti Apa or Te Runanga o Raukawa Inc (the overarching mandated iwi body) or with Ngāti Huia ki Matau, Ngāti Huia ki Poroutawhao and Ngāti Whakatere (Ngāti Raukawa). However, Council recognises that they are key stakeholders in the District, and are often involved in both formal and informal consultation. Council continues to build a relationship with Ngāti Raukawa ki te Tonga through monthly meetings with hapū representatives from Ngāti Huia ki Matau, Ngāti Huia ki Poroutawhao, Ngāti Rakau, Ngāti Te Au, Ngāti Turanga, Ngāti Whakatere, Ngāti Kikopiri, Ngāti Ngārongo, Ngāti Wehi Wehi, Ngāti Takihiku, Ngāti Hikitanga, Ngāti Tukorehe and Ngāti Pareraukawa. Council looks forward to further strengthening these relationships in the future.

Council is committed to encourage, develop and enter in to formal relationships with other Iwi and hapū.

Horowhenua District Council in its journey from good to great has put focus on building capacity within the organisation to ensure its people are informed and supported to understand the Māori world view and to better enable Māori engagement in local government.

In the last 12 months, staff have participated in Cultural Awareness Training facilitated by Ngāti Tukorehe and an internal Waiata Group has been established supporting the Council at a variety of events.

The following is a précis of the significant iwi engagement and consultation matters during 2018/19:

1. Te Awahou Nieuwe Stroom – This fantastic facility, opened in November 2017, has come about through a bi-cultural management approach to create both a bi-cultural and multicultural facility that celebrates and helps tell the stories of the people of the land. Te Taitoa Māori o Te Awahou is actively engaged in the development of Piriharakeke Generation Inspiration Centre within the Te Awahou Nieuwe Stroom complex. The gallery shares the stories of Ngāti Raukawa ki te Tonga. The bi-cultural approach was key to the successful fundraising campaign undertaken.
2. Transforming Taitoko/Levin – engagement on the Draft Levin Town Strategy to redevelop the town centre.
3. Otaki to North Levin Expressway.
4. District Plan Changes – Historic Heritage and Residential Development Provisions.
5. Te Awahou/Foxton wastewater treatment plant (WWTP) – including planning for proposal to move discharge to land as opposed to water.
6. Long Term Plan 2018-2038.
7. Horowhenua 2040 Strategy.
8. Te Pai Tawhiti – Council has engaged on the inter-generational strategy for Māori economic development in Manawatū-Whanganui.
9. Te/Maire/Shannon wastewater treatment plant (WWTP) – removal of treated wastewater discharge from water to land – completed.
10. Taitoko/Levin water supply – water take from Ōhau River consent.
11. Lake Horowhenua Water Quality Improvement project – Queen Street drain wetland (stormwater treatment).
12. Reserve Management Plan reviews.
13. Hokio Landfill consent review.
14. Taitoko/Levin North East stormwater.
15. Seaview Gardens Reserve, Te Awahou/Foxton development planning.
16. Waitāreere wastewater treatment plant consent renewal.
17. Taitoko/Levin wastewater discharge consent renewal for the Pot (including securing funding for the removal of the pine plantation and replacement with native trees).
18. Te Maire/Shannon water treatment plant (water take resource consent from Mangahao River).
19. Tokomaru wastewater treatment plant consent renewal – including planning for discharge to land as opposed to water.

This consultation and engagement has included a range of inputs to the decision-making process, these include (but are not limited to):

- Preparation of site specific cultural impacts assessments;
- Submissions on consent applications;
- Meetings and conversations between iwi and Council officers;
- Collaborative decision-making on the construction, design of the Te Awahou Nieuwe Stroom building and the internal fit-out of the facility;
- Participation in stakeholder focus groups;
- Participating and providing support to iwi in their environmental projects such as tree planting along the Manawatū River banks.

Alongside this, Te Kaunihera o Horowhenua has provided services to the following groups to aid capability:

- Horowhenua Lake Domain Board – provision of secretary, treasurer as unpaid Board Members. Maintenance of the reserve is carried out by Te Kaunihera o Horowhenua;
- Te Mana o te Wai – provision of secretary, treasurer and governance/project management expertise as unpaid Board Members;
- Initial discussions have started with key local iwi groups on how Council might be able to assist in further fostering and building capacity for them to engage in Council decision making processes, with this work to continue in the 2018/19 financial year;
- Waitangi Day – worked collaboratively with Muaūpoko to hold an event to celebrate Waitangi day, partly funded by Te Kaunihera o te Horowhenua with Council Officer volunteers helping out throughout the day adding capacity and capability.

While not directly related to decision-making, Te Kaunihera o Horowhenua is committed to aiding and improving existing relationships with Māori and supporting aspirations. During the past year Council and Council Officers have undertaken a number of projects to aid that:

Council completed the process of ensuring the full name of Te Takeretanga o Kura-hau-pō is used in branding materials – this has been done to honour of the name that was bestowed by Muaūpoko and to show respect for Te Reo Māori.

The Youth Space within Te Takeretanga o Kura-hau-pō caters for all youth, including rangatahi.

Events held at Te Takeretanga o Kura-hau-pō have included specific events aimed at Māori:

- Matariki: week-long celebration including pōwhiri, hākari, concert, movie and weaving demonstrations;
- Stargazing at Te Awahou/Foxton;
- Starlab in Te Maire/Shannon;
- Māori Language Week – programme of events aimed at pre-schools including one-day dedicated to Te Reo Māori only for Kohanga throughout the district;
- Tamariki Playgroup run by Te Runanga o Ngāti Raukawa.

SECTION D: APPENDICES

Section D provides additional useful information about the Council.

Governance structure and personnel

Shows the Ward representation and lists elected representatives and their special responsibilities.

Management structure and personnel

Lists the senior staff and their responsibilities.

Directory and contacts

Lists the Council's key associated bodies and how they can be contacted.

Glossary

Provides short definitions of the jargon that creeps into local authority documents.

Governance Personnel

Committee membership and representation responsibilities are:

Mayor Michael Feyen

Phone: 027 441 9923

Email: mayor@horowhenua.govt.nz

Council Committees: Finance, Audit and Risk Subcommittee, Strategy Committee (Chairperson), Chief Executive's Performance Agreement Review Committee, Chief Executive Relationship Committee, Cultural Portfolio

Represents Council on: Horizons Regional Council – Passenger Transport Committee, Horowhenua Lake Domain Board, Lake Accord (He Hokioi Rerenga Tahī), Manawatū River Users Advisory Group, Manawatū-Whanganui Region Civil Defence Emergency, Mayor's Task Force for Jobs, Save Our River Trust.

Deputy Mayor Wayne Bishop

Ward: Waiopēhu

Email: cr.wayne.bishop@horowhenua.govt.nz

Phone: 0274 474611

Council Committees: Finance, Audit and Risk Subcommittee, Strategy Committee, Chief Executive's Performance Review Panel, Chief Executive Relationship Committee (Chairperson), Tenders Committee (Chairperson), Economic Portfolio

Represents Council on: Hokio Progressive Association Inc, Manakau District Community Association, Waikawa Beach Ratepayers Association, Waitāre Beach Progressive and Ratepayers Association Inc.

Cr Ross Brannigan

Ward: Kere Kere

Phone: 021 247 7338

Email: cr.Ross.Brannigan@horowhenua.govt.nz

Council Committees: Finance, Audit and Risk Subcommittee, Strategy Committee, Chief Executive's Performance Agreement Review Committee, Tenders Committee, Creative New Zealand Funding Allocation Committee, District Licensing Committee (Chairperson)

Represents Council on: Crime Prevention Camera Trust, National Museum of Audio Visual Arts & Sciences Trust Board.

Cr Ross Campbell

Ward: Miranui

Phone: 027 253 3956

Email: cr.ross.campbell@horowhenua.govt.nz

Council Committees: Finance, Audit and Risk Subcommittee, Strategy Committee, Chief Executive's Performance Agreement Review Committee, Community Recognition & Funding Committee, Tenders Committee, Cultural Portfolio

Represents Council on: Horizons Regional Council – Regional Transport Committee, Lake Accord (He Hokioi Rerenga Tahī), Manawatū River Users Advisory Group, Mangaore Village Residents' Association, Shannon Community Development Trust, Shannon Progressive Association Inc, Shannon Sewerage Working Party.

Cr Victoria Kaye-Simmons

Ward: Levin

Phone: 027 601 1014

Email: cr.victoria.kaye@horowhenua.govt.nz

Council Committees: Finance, Audit and Risk Subcommittee, Strategy Committee, Chief Executive's Performance Agreement Review Committee, Chief Executive Relationship Committee, Creative New Zealand Funding Allocation Committee

Represents Council on: Crime Prevention Camera Trust, Horowhenua District Health Transportation Trust, Horowhenua Lake Domain Board, Jack Allen Community House, Keep Levin Beautiful Committee, Lake Accord (He Hokioi Rerenga Tahī), Thompson House Committee.

Cr Jo Mason

Ward: Levin

Phone: 027 248 6643

Email: cr.jo.mason@horowhenua.govt.nz

Council Committees: Finance, Audit and Risk Subcommittee, Strategy Committee, Chief Executive's Performance Agreement Review Committee, Hearings Committee (Chairperson), Community Recognition & Funding Committee, Community Wellbeing Committee

Represents Council on: Disability Leadership Forum, Horowhenua Health Workforce Trust, Horowhenua Neighbourhood Support Management Committee.

Cr Christine Mitchell

Ward: Waiopahu

Phone: 027 318 7703

Email: cr.christine.mitchell@horowhenua.govt.nz

Council Committees: Finance, Audit and Risk Subcommittee, Strategy Committee, Chief Executive's Performance Agreement Review Committee, Tenders Committee, Environmental Portfolio

Represents Council on: Hokio Progressive Association Inc., Manakau District Community Association, Waikawa Beach Ratepayers Association, Waitāre Beach Progressive and Ratepayers Association Inc.

Cr Piri-Hira Tukapua

Ward: Levin

Phone: 027 529 4883

Email: cr.piri-hira.tukapua@horowhenua.govt.nz

Council Committees: Finance, Audit and Risk Subcommittee, Strategy Committee, Chief Executive's Performance Agreement Review Committee, Hearings Committee, Community Recognition & Funding Committee, Cultural Portfolio

Represents Council on: Education Horowhenua, Horowhenua Lake Domain Board, HLC Trust, Youth Voice.

Cr Neville Gimblett

Ward: Kere Kere

Phone: 021 121 2214

Email: cr.neville.gimblett@horowhenua.govt.nz

Council Committees: Finance, Audit and Risk Subcommittee, Strategy Committee, Chief Executive's Performance Agreement Review Committee, Community Recognition & Funding Committee (Chairperson), Tenders Committee, Environmental Portfolio, District Licensing Committee

Represents Council on: Foxton Area Community Medical Trust, Horizons Regional council – Passenger Transport Committee.

Cr Bernie Wanden

Ward: Levin

Phone: 027 291 5546

Email: cr.bernie.wanden@horowhenua.govt.nz

Council Committees: Finance, Audit and Risk Subcommittee, Strategy Committee, Chief Executive's Performance Agreement Review Committee, Hearings Committee, Community Recognition & Funding Committee, Economic Portfolio

Represents Council on: Manawatū/Whanganui Regional Disaster Relief Fund Trust.

Cr Barry Judd

Ward: Levin

Phone: 027 367 2030

Email: cr.barry.judd@horowhenua.govt.nz

Council Committees: Finance, Audit and Risk Subcommittee, Strategy Committee, Chief Executive's Performance Agreement Review Committee, Community Wellbeing Committee (Chairperson), Cultural Portfolio

Represents Council on: Education Horowhenua, Coast Access Radio – Horowhenua District Trustee.

FOXTON COMMUNITY BOARD

David Roache (Chair)	Ph: 027 442 5691 Email: DavidRoache@horowhenua.govt.nz
Tricia Metcalf	Ph: 021 447 711 Email: TriciaMetcalf@horowhenua.govt.nz
David Allan	Ph: 021 031 1812 Email: DavidAllan@horowhenua.govt.nz
John Girling	Ph: 021 0257 5080 Email: JohnGirling@horowhenua.govt.nz
Jenny Lundie	Ph: 027 600 0475 Email: JennyLundie@horowhenua.govt.nz

Management Structure and Personnel

Personnel	Activity
Chief Executive David Clapperton	Employer of Council staff Governance relationships Organisational effectiveness and efficiency
Acting Group Manager Infrastructure Services Rob Green	Asset management Roading and stormwater Solid waste management Wastewater disposal Water supply
Chief Financial Officer Doug Law	Financial planning and reporting Financial policy and financial services
Group Manager People & Community Sharon Grant	Civic and ceremonial functions Communications Community development Emergency management Governance services and administration HR policies and administration Libraries Payroll Property and parks Recruitment Service centres
Group Manager Business Services Nicki Brady	Animal control Building control Environmental health Parking enforcement Planning services
Group Manager Strategy & Development David McCorkindale	Annual Plan review District Plan review Long Term Plan review Special projects
Economic Development Manager Shanon Grainger	Economic development
Group Manager Corporate Services Mark Lester	Accounting services Information technology services Rates revenue Records management Risk management
Growth Response Project Manager Daniel Haigh	Growth response

Directory and Contacts

AUDITORS

Audit New Zealand (on behalf of the Auditor General)
49 Amesbury Street, Palmerton North

BANKERS

BNZ

SOLICITORS

Todd Whitehouse
27 Queen Street, Levin 5510

COUNCIL OFFICES

Main Office
126-148 Oxford St, Levin 5510
(Private Bag 4002, Levin 5540)

Phone (06) 366 0999 (all hours)
Fax (06) 366 0977
Email enquiries@horowhenua.govt.nz

Foxton Service Centre
Te Awahou Nieuwe Stroom
22 Harbour St,
Foxton

Phone (06) 363 5571
Fax (06) 367 9218

Shannon Service Centre
Plimmer Terrace, Shannon

Phone (06) 362 7030
Fax (06) 362 7030

VISITOR INFORMATION CENTRE

Te Takeretanga o Kura-hau-pō,
10 Bath Street, Levin

Phone (06) 368 1953
Fax (06) 367 9218

Te Awahou Nieuwe Stroom
22 Harbour St, Foxton

Phone (06) 363 5571
Fax (06) 367 9218

EMERGENCY MANAGEMENT

126-148 Oxford Street, Levin

Phone (06) 366 0999
Fax (06) 368 7110

SWIMMING POOLS

Queen Street, Levin

Phone (06) 368 0070

Main Street, Foxton

Phone (06) 363-6123

Glossary

ADVOCATE

Council acts as an advocate when it represents the views and interests of the community to a range of organisations including Government Agencies and the Regional Council.

ASSET

An asset is an item of value owned by the Council on behalf of the people of Horowhenua. Examples are bank accounts, amounts owing by debtors, parks, roads, land, buildings, vehicles, computers and the water, wastewater and stormwater networks.

ASSET MANAGEMENT PLAN (AMP)

This is a long-term plan for managing an asset to ensure that capacity to provide a service is kept up, and that costs over the life of the asset are kept to a minimum. The Council has such plans for all of its major assets including roading, water supply, wastewater disposal, parks and solid waste assets. The plans cover things like service standards, maintenance regimes and future developments.

CAPITAL EXPENDITURE

Money spent with effect on the long-term rather than the short-term. Examples are to buy or build a new asset, or to improve the potential of an existing asset. Capital expenditure is generally expected to lead to a higher level of service to the community.

COMMUNITY OUTCOMES

Statements of the community's vision and goals for the future of the District. It is intended that these outcomes inform and co-ordinate the activities and planning of all sectors of the community (including the Council).

COUNCIL-CONTROLLED ORGANISATION (CCO)

An organisation that manages facilities and/or provides services on behalf of the Horowhenua community, in which Council directly or indirectly controls more than 50% of either the votes or the appointments of directors or trustees.

DEBT

The amount owed for borrowed funds.

DEPRECIATION

The allocation of the cost of an asset over its estimated useful life.

DISTRICT PLAN

The plan prepared by Council under the Resource Management Act that manages, through rules, potential adverse impacts of subdivisions and land use on the environment.

FINANCIAL YEAR

Council's financial year starts on 1 July and ends on 30 June of the following year.

PROJECTED FINANCIAL STATEMENT

The 10-year plan for Council's revenue and expenditure, cash flows and borrowing.

FUNDING IMPACT STATEMENT

An explanation of how Council's funding requirements are planned to be met through various mechanisms including rates.

GOVERNANCE

The way in which Council engages with the community, how it makes decisions and the ways in which citizens can influence these processes.

INFRASTRUCTURE

Assets that form inalienable physical links between or within communities. Examples are roading, water supply systems, wastewater disposal systems and stormwater drainage systems.

LAND VALUE

The value of land, excluding any improvements. For rating purposes, Council contracts Quotable Value New Zealand to assess the land value of all properties every three years.

LIABILITY

Present obligation arising from past events. Current liabilities are those due for payment within one financial year, and non-current liabilities are those due in the longer-term.

LONG TERM PLAN (LTP)

A long-term (10-year) plan (reviewed every three years) that describes community outcomes and the activities of the Council, and provides a long-term focus for the decisions and activities of the Council.

OPERATING COSTS

The costs of running Council in the short-term. Examples are the costs of maintaining assets, employing staff and the interest costs of loans.

PERFORMANCE TARGET

A measure that shows how well Council is doing in achieving the goals that it set for itself.

RATES

Property taxes collected by Council, which help fund the services that the Council provides to the community.

RENEWAL EXPENDITURE

The cost of replacing components of existing assets to restore them to their original condition. Examples are the replacement of old water mains and the resealing of roads.

REVENUE

The amount earned from operations: Examples are rates, dog registration fees, building permit fees, subsidies, rental revenue and interest on investments.

SIGNIFICANCE

The degree of importance of an issue under consideration, as assessed by Council, in terms of its likely consequences for the current and future well-being of the community.

STORMWATER

Rain that runs off properties and roads.

SUSTAINABILITY

The use of natural, social and physical resources in such a way that takes care of current needs and allows for the ongoing use of those resources for future generations.

TARGETED RATES

Any rate other than a general rate, targeted at users or beneficiaries of a particular service. Examples are rates for solid waste, water supply and wastewater.

UNIFORM ANNUAL GENERAL CHARGE (UAGC)

A fixed-sum rate payable by all properties as part of their contribution to general rates. There are statutory rules whereby the UAGC is not payable on contiguous properties – where two or more properties are next to each other, owned by the same ratepayer, used for a common purpose.

WASTEWATER

The liquid waste from a property. Examples are sewage, grey water and trade waste.

Statistics

Rating And Valuation 1 July 2017	
Area, sq.km ²	1,063.60
Capital value	\$6,618,165,250
Land value	\$3,316,552,250
Rateable land value	\$2,870,439,650
Number of rateable properties	17,959
Census 2013	
Demographics	
Population	30,099
Population aged 65 years and over (national average 14.3%)	23.7%
Population aged 15 years and under (national average 20.4%)	19.1%
Average age in the District (nation average 38 years)	46 years
Ethnicity	
European	82.4%
Māori	22.8%
Pacific peoples	4.8%
Asian	3.4%
African	0.3%
Other (New Zealander)	1.8%
Households	
Number of Dwellings	15,099
Average household size (national average 2.7)	2.3
Households with access to the internet (national average 76.8%)	64.7%

Contact Us

Horowhenua District Council
126 Oxford Street
Levin 5510
Private Bag 4002, Levin 5540

Ph: 06 366 0999
Fax: 06 366 0983
enquiries@horowhenua.govt.nz
www.horowhenua.govt.nz



HOROWHENUA DISTRICT COUNCIL
Whakarua - Whakarua

Horowhenua 
DISTRICT COUNCIL